CONGRESSIONAL RECORD — SENATE

April 11, 1962

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

Rev. Aubrey L. Burbank, pastor, the Centenary Methodist Church, Skowhegan, Maine, offered the following prayer:

Most gracious God, our loving Father, we come to Thee this day in the name of Jesus Christ, Lord and Saviour of mankind.

As Thou, O God, hast given us this land for our heritage, we beseech Thee that we may always prove ourselves worthy of Thy favor and glad to do Thy will.

With humility in the recognition of our imperfections and our failure to measure up to the teachings of the Master, we would humbly pray that Thou might bless our land with such spiritual understanding as will enable us to deal with all of life's problems, free of violence, discord, and confusion. Forbide that we should think of ourselves as Thy favorites, or that we, alone, are the object of Thy concern. Let not pride, prejudice, or arrogancy characterize our age; but grant us great sympathy with all the enslaved people of the earth, in their quest for life and liberty. Endue with the spirit of wisdom those to whom we entrust the authority of government, that through obedience to Thy law we may show forth Thy praise, Thy power, and Thy glory among all the nations of the earth. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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

S. 996. An act for the relief of Lu Shui Whitehouse, and
S. 218. An act for the relief of Robert B. Kasparek, Robert M. Kearny, Richard A. Wolff, and Herbert M. Chen; and

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT (H. Doc. No. 277)

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 Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10(b)4 of the Railroad Retirement Act, approved June 24, 1937, and of section 19(1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1961.

JOHN F. KENNEDY.

The White House, April 11, 1962.

EXECUTIVE MESSAGES REFERRED

As in executive session, The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Post Office and Civil Service.

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

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 following committees and subcommittees were authorized to meet today during the session of the Senate:

The Internal Security Subcommittee of the Committee on the Judiciary.

The Permanent Subcommittee on Investigations, of the Committee on Government Operations.

The Committee on Agriculture and Forestry.

The Judiciary Committee.

On request of Mr. Mansfield, and by unanimous consent, the Education Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

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

On request of Mr. Humphrey, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF ACT RELATING TO REGISTER OF NAMES IN DEPARTMENT OF COMMERCE OF UNITED STATES PATENT OFFICE

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the act approved July 14, 1909, 40 Stat. 392, as amended, relating to the establishment of a register of names in the Department of Commerce of certain motor vehicle drivers (with accompanying paper); to the Committee on Commerce.

PUBLICLY OWNED STATISTICS OF ELECTRIC UTILITIES IN THE UNITED STATES, 1960, PUBLICLY OWNED

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, for the information of the Senate, a copy of the publication entitled "Statistics of Electric Utilities in the United States, 1960, Publicly Owned" (with an accompanying document); to the Committee on Commerce.

DIVISION OF TRIBAL ASSETS OF FONCA TRIBE OF NATIVE AMERICANS OF NEBRASKA

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON BUSINESS TRANSAC TED BY BANKRUPTCY COURTS

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting, pursuant to law, statistical tabulations reflecting the business transacted by the bankruptcy courts, for the fiscal year ended June 30, 1961 (with accompanying papers); to the Committee on Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. Con. Res. 68. Concurrent resolution to print additional copies of hearings on the Revenue Act of 1962 (Rept. No. 1337);
S. Res. 321. Resolution to print additional copies of certain hearings entitled "Communist Threat to the United States Through the Caribbean" (Rept. No. 1338);
H. Con. Res. 25. Concurrent resolution authorizing the printing of additional copies of a veterans' benefits calculator (Rept. No. 1329);
H. Con. Res. 405. Concurrent resolution authorizing the printing of additional copies of hearings on civil defense for the Committee on Government Operations (Rept. No. 1330);
H. Con. Res. 408. Concurrent resolution authorizing the printing of the publication entitled "Our Flag" as a House document, and providing for additional copies (Rept. No. 1331).
H. Con. Res. 412. Concurrent resolution authorizing the printing of additional copies of House Report No. 1329, parts 1 and 2, 87th Congress, 1st session (Rept. No. 1339);

H. Con. Res. 414. Concurrent resolution authorizing the printing of additional copies of "Hearings Relating to H.R. 4700, To Amend Section 11 of the Subversive Activities Control Act of 1950," (Rept. No. 1330);

H. Con. Res. 419. Concurrent resolution providing for additional copies of General Orders No. 87, United States Army, dated March 26, 1962, to appear to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session, the following favorable reports of nominations were submitted:

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

William B. Jones, of Maryland, to be U.S. district judge for the District of Columbia; George N. Beamer, of Indiana, to be U.S. district judge for the northern district of Indiana; John Weid Peck, of Ohio, to be U.S. district judge for the southern district of Ohio; and Robert Shaw, of New Jersey, to be U.S. district judge for the districts of New Jersey.

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

Oscar H. Davis, of New York, to be associate judge of the U.S. Court of Claims.

EXECUTIVE REPORT OF COMMITTEE ON THE JUDICIARY

Mr. CARROLL. Mr. President, I have an important announcement to make to the Senate. I am happy to report that the Senate Committee on the Judiciary has unanimously endorsed the nomination of Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court. I make this report now in behalf of the Committee on the Judiciary.

The VICE PRESIDENT. The nomination will be placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. DIRKSEN (by request):

S. 3148. A bill to amend the Civil Service Retirement Act and the Federal Employees Health Benefits Act of 1959 so as to eliminate discrimination against married female employees; to the Committee on Post Office and Civil Service.

By Mr. YARBOROUGH:

S. 3149. A bill to waive section 142 of title 29, United States Code, with respect to the United States District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.; to the Committee on the Judiciary.

By Mr. DODD:

S. 3150. A bill to provide that any alien brother, sister, married son, or married daughter of a citizen of the United States, who is eligible for a quota immigrant status under section 201 of the Immigration and Nationality Act on the basis of a petition filed with the Attorney General prior to July 1, 1961, shall be held to be a non-quota immigrant; to the Committee on the Judiciary.

The Senate recessed at 9:05 a.m., Mr. Donn when he introduced the above bill, which appear under a separate heading.)

By Mr. young of North Dakota:

S. 3150. A bill to authorize the Secretary of Agriculture to adjust farm acreage allotments for wheat in order to correct income and price trends and to maintain an adequate supply on the market; to the Committee on Agriculture and Forestry.

By Mr. ELLENBERGER (for himself, Mr. Long of Louisiana, Mr. Perlmutter, Mr. Eastland, Mr. Kuchel, and Mr. YARBOROUGH):

S. 3152. A bill to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program; to the Committee on Agriculture and Forestry.

By Mr. ANDERSON (by request):

S. 3153. A bill to provide electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. RANDOLPH (for himself and Mr. Byrd of Virginia):

S. 3154. A bill to amend Public Law 86-184 to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union and to the Committee on Banking and Currency.

By Mr. LONG of Hawaii:

S. 3155. A bill for the relief of Mrs. Agnes J. Wong; to the Committee on the Judiciary.

By Mr. RANDOLPH (by request):

S. 3156. A bill to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes; and

S. 3157. A bill to repeal subsection (a) of sections 144 and 145 of the Public Works and Government Activities Act of 1949, as amended, limiting the area in the District of Columbia within which sites for public buildings may be acquired; to the Committee on Public Works.

By Mr. SYMINGTON (for himself and Mr. Long of Missouri):

S. 3156. A bill authorizing construction of a bridge across the Missouri River in the vicinity of St. Joseph, Mo.; to the Committee on Public Works.

By Mr. JACKSON (by request):

S. 3159. A bill to provide for the popular election of the Governor and Government Secretary of the Virgin Islands, for the transfer to the Government of the Virgin Islands of the assets and functions of the Virgin Islands Corporation, and for other purposes; to the Committee on Interior and Insular Affairs.

CONCURRENT RESOLUTION

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON "CONSTITUTIONAL RIGHTS OF THE MENTALLY ILL" AND "WIRETAPEING AND EAVESDROPPING LEGISLATION," Species Court of Appeals of the Virgin Islands.

Mr. ERVIN submitted the following concurrent resolution (S. Con. Res. 69):
which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary one thousand additional copies of parts 1 and 2 of its hearing on "Mental Illness," and one thousand copies of its hearings on "Wiretapping and Eavesdropping," held by its Subcommittee on Constitutional Rights during the Eighty-seventh Congress, First Session.

RESOLUTIONS

MRS. AGNES J. WONG—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. LONG of Hawaii submitted the following resolution (S. Res. 326) which was referred to the Committee on the Judiciary:

Resolved, That the bill (S. 3156) entitled "A bill for the relief of Mrs. Agnes J. Wong," now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the Court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 8 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as will be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

AUTHORIZATION TO PRINT AS A SENATE DOCUMENT THE "ELECTION LAW GUIDEBOOK"

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 327) authorizing the printing as a Senate document of the "Election Law Guidebook," which was referred to the Committee on the Judiciary.

TO PRINT AS A SENATE DOCUMENT THE 64TH ANNUAL REPORT OF THE NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 328) to print the 64th annual report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1961, as a Senate document, which was placed on the calendar.

GUARANTEE TO ELECTRIC CONSUMERS IN PACIFIC NORTHWEST OF FIRST CALL ON ELECTRIC ENERGY GENERATED IN THAT REGION

Mr. ANDERSON, Mr. President, at the request of the Secretary of the Interior, I introduce for public reference, a bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority and for other purposes.

Mr. ANDERSON, Mr. President, at the request of the Secretary of the Interior, introduced by Mr. DODD, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,

HON. LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

Dear Mr. President: Enclosed is a draft of a proposed bill "To guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes." Enclosed also is a section-by-section analysis of the bill.

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

The purpose of the bill is to assure consumers electrically connected to the Pacific Northwest permanent priority to the electric power and energy now or hereafter to be generated at Federal plants in that region. The bill also assures consumers in other regions electrically connected
interconnected with the Pacific Northwest a reciprocal priority.

We do not regard the bill as inconsistent with the principle of preference and priority accorded by Federal laws to public bodies and cooperatives. We strongly reaf-

firm our adherence to this principle as a consistent public policy. The bill recognizes the principle of preference for public bodies and cooperatives, and leaves it intact within each of the several regions to be interconnected with the Pacific Northwest. The bill does, however, meet unique prob-

lems that have arisen in the Pacific Northwest, where the Oregon-Washington Farmers Union, the industrial customers in the Pacific North-
west, and the Pacific Coast Power Coordinat-

ing Committee representing the principal public power agencies in the Pacific North-
west and the Pacific Southwest. All of these
groups favor protective legislation safeguard-

ing their interests, and many of them have advocated construction of a Federal

interstate. In June 21, 1960, the Senate Committee on Interior and Insular Affairs adopted a resolution requesting the Secretary of the Interior to continue to suspend negotiations looking toward transfer of surplus power or energy from the Pacific Northwest to California. The committee further re-

quested the Secretary to submit at the next

session of the Congress a draft of proposed legislation designed to guarantee to the con-

sumers in the Pacific Northwest States first call on power generated by Federal agencies in that region, as requested by the Gover-

nors of the Pacific Coast States.

A bill was drafted and widely circulated among the Governors of the affected States and the public and private utilities in both the Pacific Northwest and Southwest. It was prepa-

red, circulated again for comment. A final
draft, which is the bill herewith transmitted, was developed from that background.

We believe, therefore, as herein proposed, meets the needs of the regions involved.

The Bureau of the Budget advises that it has no objection to the presentation of this draft bill from the standpoint of the ad-

ministration's program.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

NOTICES OF MOTIONS TO SUSPEND
THE RULE—AMENDMENT TO SEC-
COND SUPPLEMENTAL APPROPRIA-
TION BILL

Mr. WILLIAMS of Delaware (for him-
self and Mr. Cassisonc) submitted the following notice in writing:

In accordance with rule XL of the Stand-

ing Rules of the Senate, I hereby give notice that I propose to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 19, after line 9, insert the following:

"CLAIMS AND JUDGMENTS"

"For payment of claims as settled and determin-
ed by departments in accord with law and judgments rendered against the United States by the United States Court of Claims and United States district courts as set

forth in Senate Document Number 84, Eighty-seventh Congress, $1,065,929, together with any sums required by law to pay interest (as and when specified in such judgments or provided by law) and such addi-
tional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: Provided, That no judg-
ment herein appropriated for shall be paid until it shall have become final and conclu-
sive against the United States by failure of the parties to appeal or otherwise: Provided, further, That the determination of the amount and time of payment hereunder as determined specifically by law or by the judgment, payment, judg-
ment of interest whereupon appropriated for shall not continue for more than thirty days after the date of approval of this Act."
Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 10, after line 22, insert the following:

"For an additional amount for 'Construction', $3118 to provide for the establishment of a land conservation fund—additional cosponsors of bill.

Under authority of the order of the Senate of April 4, 1962, the names of Senators CLARK, DOUGLAS, HUMPHREY, EMERSON, MASSACHUSETTS, METCALF, MOSS, HART, ENGLE, LONG of Missouri, HARTKE, HARKER, LONG of Hawaii, FULLERTON, COOPER, CARROLL, BYRD of West Virginia, McCURDY, and AIKEN were added as additional cosponsors of the bill (S. 3117) to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and to provide financial assistance to the States for outdoor recreation planning, and for other purposes, introduced by Mr. ANDERSON (for himself and other Senators) on April 4, 1962.

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

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"For an additional amount for 'Construction', $3117 to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and to provide financial assistance to the States for outdoor recreation planning, and for other purposes, introduced by Mr. ANDERSON (for himself and other Senators) on April 4, 1962.

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land was successfully negotiated. He is now chairman of the Joint East and Central Committee, which represents a large number of British interests in that part of the world.

Mr. President, I ask unanimous consent to have Lord Colyton's speech printed in the Record following these remarks.

There being no objection, the speech was ordered to be printed in the Record, as follows:


ALLEGED ATROCITIES IN KATANGA

(Lord Colyton rose to ask Her Majesty's Government what steps are being taken to investigate the allegations of atrocities committed by United Nations troops in Katanga, having regard in particular to the alleged killing, wounding, or maltreatment of British subjects and the looting of property, and to punish those responsible.)

LORD COLYTON

My Lords, a month ago I paid a visit to Katanga. It was a tragic and harrowing experience. I should like to begin by saying that two things are evident from the outset. First, I would add that our information to your Lordships and to urge Her Majesty's Government to press for a formal Investigation. I would add that our inform­

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So long as United Nations troops are oc-
cupying Elisabethville, an incident could oc-
cur any time, whether deliberately provoked
or otherwise. I have no doubt that, having reg-
istered the consent of the United Nations com-
trollers, a series of further atrocities, and acts of pil-
age, looting and murder would follow. An ex-
ample. When I was in Elisabethville, President Tshombe
(who, incidentally, is one of the most out-
curious African leaders I have ever met) re-
ceived a demand for the dispatch of United
Nations troops and the mentality of
Elisabethville and Kolwezi, ostensibly to apprehend
United Nations commanders, a series of
violations bullets. This is indeed a sad · commen-
tation relating to Federal aid to educa-
tion. Consequently, I ask unanimous
consent that the sermon be printed at
least three points and a conclusion. Since this
resolution has the built-in outline of an
introduction and three succeeding sections.
I shall follow it point by point, and then
add my own conclusion.
First, the introduction which I quote:
"Joint resolution proposing an amend-
ment to the Constitution of the United States
Resolved by the Senate and House of
Representatives of the United States of
America in Congress assembled, (the third
of each House concouring thereth), That the
following article is hereby proposed as an
amendment to the Constitution of the
United States, which shall be valid to all
intents and purposes as part of the Consti-
tution when ratified by convention in three-
fourths of the several States.
Now this certainly fulfills the injunction of the Apostle Paul to have all things done decently and in order as well as the spirit of the
Founding Fathers who provided for deliberate
and orderly change in the Consti-
tution.
This is the introduction and the
conclusion. Since this resolution
is a resolution providing for the devout
recognition by this Nation, not of God, mind
the diplomats and the foreign policy of the U.S.
Government is undeviatingly Christian.
This is the full-orbed national self-right-
ceousness which we have been goring for
some time and which is so disastrous to the
soul and body of America. The con-
uous round of conferences in Europe, where we
ever have a national faith which is really
more the established church we thought we
had abandoned than some of the de facto
established churches of Europe. This is what the
Christian amendment would make final.
(2) Once we declare our Nation officially
Christian it follows that the
prophets who sought to make this Hebrew
people, the Bible itself, the
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"This Nation devoutly recognizes the au-
thority and the law of Jesus Christ, Saviour
and Ruler of the Nations through
His Church, and we can pause to thank God for the
wisdom and farsightedness of those Found-
ing Fathers who made
the Constitution. There are always people who are
against him-

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Congressional Record — Senate

Mr. LONG of Missouri. Mr. President, today it is my sad duty to inform the Senate of the death of one of my State's foremost citizens. Indeed, one of our Nation's foremost citizens, Judge Thomas C. Hennings, Sr., father of the late beloved Senator Tom Hennings.

Judge Hennings was one of the finest gentlemen I ever met. He always had a sense of tradition and respect for the views of others. He was never too busy but that he had time to share his wisdom with others. He had the greatest interest in government. I'll never forget when he always led in Democratic politics, he only ran for public office once in his life and that was his successful bid for the office of circuit judge. He was elected to this office shortly after the turn of the century. In recent years, he traveled east regularly and would never return to St. Louis without first visiting the United Nations General Assembly if it was in session.

At 70 years of age, he participated in what he termed the "most important activity of his life," and one of the most important activities of his life was in helping his Majesty, the President, select the leaders of the United Nations General Assembly. For this, many of the outstanding leaders in Missouri assembled in a constitutional convention at Jefferson City, our State capital. Judge Hennings was an outstanding leader in this convention. Through his diligence and determined efforts, a number of very important changes were made in the constitution. One of these required that justices of the peace, now called magistrate judges, be members of the legal profession.

The U.S. Senate has directly felt the influence of this wonderful gentleman. His son was one of the greatest Senators Missouri has ever sent to Congress. The lessons Tom Hennings learned from his father in his formative years were never forgotten. In this Nation there has been a growing number of Moslem and Hindu citizens. Shall their constitution officially acknowledge as an ecclesiastical organization, or in the abridgment of the rights of religious scruples, or in the abridgment of the right of freedom of speech and press, or of peaceful assembling? This section is a dead giveaway. It protests too much. By its very denial it affirms. Naturally the Christian amendment will not set up the Catholic or the Lutheran or the Baptist Church or any other "particular ecclesiastical organization" as the established church. But the amendment does name the Jesus Christ as authority and this is a fatal thing to do.

For this is a nation in which 40 percent of the remaining 12 million Jews live. Shall the American government officially acknowledge the spiritual authority what their synagogues cannot? In this Nation there are growing numbers of Hindu and Buddhist citizens. Shall their constitution acknowledge a spiritual authority which their Koran and Veda cannot? In this Nation there are millions of unchurched people and professing atheists. Shall their constitution acknowledge an authority which man in conscience have they and cannot? It is no wonder that this section hastens to assure such people that there will be no abridgment of freedom in religion, or freedom of speech, press, and assembly. Heaven knows, and all who have read history know, that there are always imperious and oppressive majorities that decide that this shall be our way of life and that shall be our accepted faith and yonder shall be the direction in which our interests lie.

Finally the last section, and once more I quote: "Congress shall have power in such cases as it may deem proper, to provide a suitable oath or affirmation for citizens whose religious scruples prevent them from giving the necessary allegiance to the Constitution as herein amended." Now while I am intuitively allergic to all oath taking and religious tests, I would much prefer the simple New Testament let your yea be yea and your nay be nay and whatsoever is more than these from the Acts (St. Pauls (One)). I realize the propriety of requiring public officials to swear (affirm) to uphold the Constitution of the United States. But here again we see the self-exposure of the Christian amendment. There will be citizens, it bleakly acknowledges, who will have what it calls religious scruples against taking an oath to uphold a document that discriminates against their religion or, what is just as bad, against their freedom to choose no religion. So for them "in such cases" (note how each must come hat in hand, unless they can propose" a suitable condescension), "a suitable oath or affirmation" (note the all-competent spiritual know-how), will be provided. This I submit is a violation of the spirit of Americanism and a spiritual blasphemy. How it could be affirmed either in the name of the democratic state or the Christian community is beyond my comprehension.

It can only be explained on the basis that many are joining together in our day who were divided in the days of our forefathers, in which case, it leads to the division of citizens into first-class and second-class citizens. While it may appear to increase the unity of the country, in fact it may become a source of disaffection and divisiveness. Above all, this amendment violates the provisions and tradition of social order go together, the state sanction of traditional religion will mean in some sense that all changes in the direction of fundamental human rights and social justice.

Other fairy tales may have happy endings, but not this one. The advocates of the Christian amendment begin as forrunners of the millennium and end as apostles of disaffection and disloyalty. One can imagine the citizen against citizen. They revive the ancient blunder of the Emperor Constantine of the Middle Ages, in which the church has never recovered. They envision an established Christianity with lofty tolerance for those who just can't go along. They invest this Nation with an aura of divine approval which makes crusades against atheistic and materialistic nations so easy. They give sanction to a static order in a time when creative change is desperately needed. They put Christ into the Constitution and hope thereby to end all the strife of our land.

For centuries the best minds in the church have agonized over the nature and mission of Jesus Christ. With Protestant and Orthodox communions have been able to discern the movement of our day to accept as a basis of their unity in the World Council of Churches the simple statement: Jesus Christ is Lord. But here is a proposal that this Nation officially acknowledge as its State's foremost citizen, Judge Thomas C. Hennings, Sr.

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delegate to the State constitutional convention.

The experience is rated as "the most important activity of my career" by Judge Hennings.

On the greatest groups of men ever assembled in this State met in Jefferson City in 1943-44 to write that constitution," he said. "It was a privilege to be associated with them."

Judge Hennings was an outstanding leader of the observers and ensembles of State of history have pointed out. He went to Jefferson City with firm convictions about reforms and changes which he believed were necessary in the State's legal and governmental structures.

HELPED WITH REFORMS

Some years before the convention, Judge Hennings had served as president of the Missouri Association for Criminal Justice, which prepared a State-wide "Crime Survey" of needed changes in the State's law enforcement system.

Its recommendations included the establishment of a State highway patrol, rule-making powers for the State supreme court, limited parole power for the government and setting up a parole board. It also urged State-wide standards of political patronage—should be lawyers.

Judge Hennings believed strongly in these reforms and chose to write many of the articles into the State constitution. He chuckles as he recalls how a group of worried politicians tried to talk him out of his stand on requiring that justices of the peace (now called magistrate judges) must be lawyers.

"One of them was a union man," the Judge said. "I told him: 'You stand up for union people. Well, I belong to the lawyer's union.' They were startled, but I made my point.

The provision was adopted by the convention.

IN EVERY COUNTY

Judge Hennings' interest in progressive judicial and political ideas goes back to the early days of his career. He was one of the first juvenile judges in St. Louis, in 1913.

Back in those days, the Democrats were new to political power in St. Louis.

"They had been in the same position that the Republicans are now in St. Louis," Judge Hennings said. "The city had been divided for years, with a line from Roosevelt bolted from the party in 1912 and all the Democrats won."

Judge Hennings' county ticket then, and had to run in primary and general elections.

"Usually, the party selected gray-bearded, distinguished lawyers for judgeships," he said. "But the Democrats couldn't get any old fellows to run. All of us who were elected that year were young.

Judge Hennings has been "in every county of the State" campaigning. When he began his banking career, he gave up many of his political activities but maintained an active interest.

"I'm known every Missouri Governor and St. Louis mayor for the past 50 years," he said. "Naturally, I know the Democratic ones better than the Republicans."

His interest is reflected in every remark Judge Hennings makes about him. He stresses that he has never attempted to influence any of his congressional or State appointments in any way, but conceded that: "In our basic beliefs, we think alike.

CIVIL WAR LEADER

Besides his political and professional activities through the years, Judge Hennings has been a leader in numerous civic projects.

He was one of six leading citizens who founded the Missouri Chest in 1922 and led in "the real job of selling the idea to the people."

His interest in young people has never dimmed. On his desk daily are letters from the School of the Ozarks, which he has served as both board member and still serves as legal adviser. He was honored as "Big Brother of the Year" in St. Louis 5 years ago, in recognition of his long service to children.

Another of his favorite projects is the Thomas Dunn Memorial, which operates residential and recreational facilities for needy boys.

VISITS OFFICE DAILY

For 17 years, Judge Hennings was on the board of the city art museum—a position he gave up 8 years ago "to give a younger person a chance."

"I don't like modern art anyhow," he added, with a grin.

On the walls of his office in the Boatmen's Bank Building are prints of two paintings which rank higher in the Judge's favor—Franz Hals' "Laughing Cavalier" and Holbein's portrait of Erasmus, whom Judge Hennings calls the "greatest scholar who ever lived."

Judge Hennings comes to his office daily, after taking his morning swim near the Park Plaza Hotel, where he and his wife live.

Like fellow Democrat Harry Truman, he is a great walker. He sometimes walks a quarter of a mile in the morning, usually through Forest Park.

Swimming and walking are Judge Hennings' favorite activities. About once a week, he takes a morning swim in the Forest Park Highlands pool, where he has been a regular visitor for 40 years.

On occasional trips to the East, he makes a point of stopping by Washington, D.C., to visit his son. His daughter, Mrs. David Teasdale, lives in St. Louis County.

From his office, Judge Hennings can look out on the Mississippi River scene of which he never tires. It flows past the site of many memories, like the old courthouse, where he worked as a title examiner in the recorder of deeds office while studying law at Washington University.

A portrait of Thomas Jefferson holds a place of honor on the wall opposite his office window.

LOOKS WITH PRIDE

Just as Jefferson considered his part in writing the U.S. Constitution one of his proudest achievements, so Judge Hennings looks back with pride on his role in shaping Missouri's present constitution.

On his 70th birthday, September 11, 1944, the State Legislature passed a resolution in its deliberations to pay tribute to one of its delegates.

A resolution was passed, honoring Thomas C. Hennings, Sr., for his "long experience as an outstanding lawyer and jurist * * * his daily diligent attendance and devotion to convention work * * a courteous gentleman, and a fine companion."

"Therefore be it Resolved," the motion continued, "That this convention extend its congratulations to Judge Hennings and wish him many, many more years of health and happiness to contribute to the welfare of his city, his State, and his country.

That same wish will be in the hearts of the hundreds of friends and admirers of Judge Hennings on another milestone of his long and distinguished career—his 85th birthday—next month.

REDEVELOPMENT OF STORM-DAMAGED SHORE AREAS

Mr. ANDERSON. Mr. President, on March 23 I suggested to the Secretary of the Interior that a study be made of the frequency of damaging storms and tides along the East Coast. I also mentioned that a partial reconstruction of the area from New York to Cape Hatteras can be planned to provide for tidal plain zoning and establishment of public access recreation areas where they are needed and advisable.

Secretary of the Interior Udall immediately undertook a study of the situation. Representatives of the Interior Department experts and the State officials surveyed the coastline. A series of conferences has been held with each of the States involved. Gov. Richard J. Hughes of New Jersey called a conference of State and Federal officials concerned in Newark, N.J., next Wednesday, April 18. I am extremely gratified at the prospects of sound redevelopment in much of the storm-damaged area, and that the situation is working out so well. There is now real hope that, instead of rushing in to restore damage and buildings that are repeatedly subject to damage, wiser plans will be followed, private investment will be protected against a repetition of this spring's losses, and greatly needed recreational areas will be developed.

The Engineering News-Record of March 29 has commented with approval on the effort. The editorial says: "When nature demonstrates time and again the need for better special and practically ir-re sistible form of coastal urban redevelopment, it is time to take the hint—leave the beaches to the waves. Tide-hazard zoning, while prudent for recreation, would also eliminate the high cost of high tides."

Mr. President, I ask unanimous consent to include the text of the editorial in the Record.

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

DON'T Go (Too) Near the Water

The damage caused this month by high tides and winds along the entire east coast (Engineering News-Record, Mar. 29, p. 59) shows there is a great need for attention on beach protection measures. Whole areas have been pretty well desecrated by the waves. It is time, in the interest of this attention, and a welcome one, comes from Senator CLINTON P. ANDERSON, Demo­crat of New Mexico, who led the fight ever since Secretary Udall, in the wake of the major storm, Federal, State, and local agencies have to provide relief for citizens whose homes and businesses have been washed away or damaged, the Senator suggests that maybe the beauty of the surf can be observed better and more economically from a safe distance.

The suggestion was made in a letter to Interior Secretary Stewart Udall, recom­ mending a study be made to see whether there should be zoning along the coast to prevent unwise reconstruction in shore areas likely to be hit by future high tides and coastal storms. And Secretary Udall passed the message along to the Governors of three of the worst affected States, Delaware, New Jersey, and Virginia.

These little incidents have been pretty much overlooked and the public has been pretty much brushed by Congress and the State legislatures to appropriate money for disaster relief. Not that, perhaps, they object to the use of thought. Not only should many coastal areas be zoned so that unwisely built homes and businesses don't go out with the tides, but the idea is also compatible with efforts to preserve large beach areas on all of our coasts for public use. The downtown and other areas New York demonstrates time and again with
her special and practically irresistible form of coastal urban redevelopment, it's time to talk about the best way to begin: in the water. Saltwater is a rolling, tide-hazard zone, while preserving beaches for recreation, would simply allow the high cost of high tides.

**SALINE WATER CONVERSION—FREEPORT, TEX. DEMONSTRATION PLANT**

Mr. ANDERSON. Mr. President, because of the great and continuing interest displayed in the saline water conversion program I ask unanimous consent that the Survey of the Freeport, Tex., Demonstration Plant, together with the letter of transmittal from Charles F. MacGowan, Director of the Office of Saline Water, be made a part of the RECORD.

The survey, one that I trust will establish a continuing method of analyzing all of the processes now being utilized in the project, is a significant step in the direction of determining the long-term potential advantage of operating the marine desalination processes, indicates constant changes that should be incorporated to increase the efficiency of the Freeport installation. Experimentation is the mother of progress and it is only with continuing experiments and intelligent analyzing of the results of these experiments that we can continue to advance toward our announced goal of the production of good economic water from the sea. I am sure that this is being done, and I would like to offer my congratulations to the Secretary and his very capable staff for their conscientious work in this field.

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

**SURVEY OF THE FREEPORT, TEX., DEMONSTRATION PLANT**

On February 26, 1962, the sea water conversion system at Freeport, Tex., was shut down according to plans for the purpose of an extensive examination and determination of the condition of most of the equipment and facilities. The plant had been in operation without a shutdown of any consequence for 5 months. The plant was put on the line October 4 and taken off February 28 with shutdowns of very short durations (an hour or so). It was our purpose to inspect the plant, appraise its condition, and perform needed minor repairs.

I have asked for a special report. This report has been drafted, and I am presenting it hereon. The results are in excellent condition. Some design revisions appear to be indicated. Among these latter revisions seems to be the necessity for use of materials other than steel in non-aerated sea water, as well as the use of alloys in some of the severe heat exchanges provided.

I trust you will find this report of interest. Best wishes and kindest personal regards.

Sincerely yours,

CHARLES F. MACGOWAN,
Director.

**THE DESTRUCTIVE COMPETITION OF GOVERNMENT OWNED AND OPERATED NAVAL SHIPYARDS WITH PRIVATE SHIPYARDS**

Mr. BUTLER. Mr. President, every Member of the Congress demands that the muscle and fiber of our military posture be strong and taut, but without a fan of坦enthan a partisan proposition but an all-American attitude. Democrat, Republican, independent, liberal and conservative alike expect the most for every dollar appropriated for defense purposes. Urgeusty needed defense dollars must be saved without weakening our capacity to survive under all circumstances as a nation and to preserve our way of life. I have therefore been disturbed, Mr. President, by the continuing evidences that higher costs for Navy shipwork in the naval shipyards are condensed in almost absolute disregard for the competitive enterprise system which is the backbone of our way of life.

The balance between receipts and expenditures of the Office of Saline Water for fiscal 1963 is marginal to say the least, and a business decline in one or more segments of industry could easily cause a deficit. This is axiomatic. But, while private yards have been forced to shut down, the Government-owned naval shipyards have been operating at an optimum of capacity. By contrast, capacity, capacity in the privately owned, tax-producing sector of the Nation's shipbuilding and ship-repairing industry remains idle.

For some time I have been trying to focus attention on this paradox, and my colleagues might therefore be interested in the full flavor of my recent correspondence with Director David Bell, demonstrating the destructive manner in which Government-owned yards are competing with private shipyards.

I ask unanimous consent, Mr. President, that this entire correspondence be printed in the RECORD at this point in my remarks.

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

**WASHINGTON, D.C., February 12, 1962.**

Hon. DAVID E. BELL,
Director, Bureau of the Budget,
Washington, D.C.

Dear Senator Anderson: We recently performed an examination of the Freeport, Tex., conversion plant during a scheduled shutdown of the facilities. Until it was taken off the line, the plant operated successfully for 5 months. The plant was put on the line October 4 and taken off February 28 with shutdowns of very short durations (an hour or so). It was our purpose to inspect the plant, appraise its condition, and perform needed minor repairs.

Knowing of your interests in both this program and the Freeport demonstration plant, I have asked for a special report. This report has been drafted, and I am presenting it hereon. The results are in excellent condition. Some design revisions appear to be indicated. Among these latter revisions seems to be the necessity for use of materials other than steel in non-aerated sea water, as well as the use of alloys in some of the severe heat exchanges provided.

I trust you will find this report of interest. Best wishes and kindest personal regards.

Sincerely yours,

CHARLES F. MACGOWAN,
Director.
I should like to suggest that the misunderstanding existing only in the minds and imaginations of those who, for selfish reasons, the myth of the unassailable functions of the naval shipyard complex is accepted without consulting the true facts. It is a matter of positive record that more than 20 privately owned shipyards have gone out of business in the postwar years, and most of the remaining yards are operating at far less than full capacity. During the long years of the closing of World War II, not a single naval shipyard has been closed down, and unrealistic employment and production policies have been maintained in these government-owned, government-operated facilities to the detriment of the national defense and of the ship-producing system, and the public treasury.

The availability of private shipyard facilities which are not now being utilized for naval ship procurement is ample reiteration of the implication in your letter that: "Private industry, to accommodate increased and more complex shipwork, would probably require additional facilities duplicating those in naval shipyards." To the contrary, it seems to me, the naval shipyards have already duplicated—and improperly so—the facilities of private industry. And, it seems pertinent to add that practically all of this "more complex shipwork" represents the original efforts of private industry and private enterprise.

The employment statistics quoted in your letter are a "deed giveaway" of the manner in which self-serving Navy Department statements have been accepted without verification. There is only one yardstick for comparing employment, and that is the employment in naval shipyards only. The Secretary of the Navy has provided the Senate Committee on Armed Services with a tabulation indicating that, on this basis, employment in the naval shipyards has in most years since 1946 averaged twice, or more, that in private yards. Also, on this basis, recent Federal statistics show that employment in the naval shipyards is increasing while employment in the private yards is decreasing. Surely this paradox is not in the national interest, particularly when the President of the United States himself said, "The Government should do nothing which private enterprise is able to do." Even so, your letter labors the point that the shipbuilding and ship repair industry should be satisfied with the volume of naval shipbuilding and repair work to be done in private yards. Though faced with costly and destructive federal competition, the private shipyard industry is being plagued by increasing debilitation of the status quo. This line of argument surprisingly chooses to ignore President Kennedy's statement in 1960 that: "* * * Private enterprise under our system of Government must remain the basis of our economic and political strength. It is the alternative we offer to communism; it is the alternative the Government must do nothing which private enterprise cannot do."

In effect literally, all Navy shipwork should go to the private yards—for there is nothing the naval yards are capable of doing, which private yards cannot do. And, in the latter category, I certainly include support of the fleet. The naval shipyards have no monopoly on skills, facilities or capacity. In wartime, it was the private shipyard industry, not the naval shipyards, that gave the Navy support for its vast fleet. Private yards can do the same now. Under modern-day concepts of warfare, when a time for preparation will probably not be possible, prompt and effective defense for future construction and repair should be to insure the instant availability of vessels at the lowest possible cost to the Government—and that lowest possible cost, in spite of your many insupportable contentions, is a private yard.

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Sincerely,

JOHN MARSHALL BUTLER
U. S. Senator

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C.

DEAR SENATOR BUTLER: This is in further reply to your letter of October 26, 1961, recommending that in the formulation of the President's budget the following be considered: (1) planned assignment of shipbuilding and ship repair work to public and private facilities be given an objective consideration; and (2) during the formulation of the President's budget, the points raised in your letter were given due consideration. Among the factors considered were the total shipyard capacity required to meet current and future needs; the difficulty of defining, for contract purposes, the "fleet operational needs"; and the level of ship repair capability needed to meet emergency demands; and, of course, the cost of alternate sources of supply. As reported in any substantial transfer of ship repair work to private yards:

1. A missed opportunity and supervisory costs on the part of the Navy.

2. Increased technical services required, as private yards would probably require additional facilities duplicating those in naval shipyards. Based on our current and urgent requirements, it is unlikely that such additional facilities would have to be financed by direct subsidy or as part of contract costs, with no assurance of the fleet receiving full and immediate responsiveness as provided by the naval shipyards.

While costs of repair and conversion work at public and private shipyards are readily comparable because of the difficulty of reducing them to a common basis, the Navy Department, and those yards, that are being performed at public yards are very close to those of private industry. Due to this lack of precise comparability, the Navy cannot estimate what the public yards would be in a long-term competitive situation, where would be any savings, or greater cost, resulting from the award of more ship repair work to private yards.

With regard to the economic health of the private shipbuilding and repair industry, and the President's statement in 1960 that: "Surely this paradox is not in the national interest, particularly when the President of the United States himself said, "The Government should do nothing which private enterprise cannot do." I am informed that private yards are now engaged in a Navy ship construction program totaling an overall value of approximately $5 billion, and that these yards are now receiving approximately $65 million in Navy ship repair work each year. The total dollar value of work received is the largest ever obtained by private industry in peace time. Navy records indicate that employment at private yards has increased from an average of 101,500 in fiscal 1950 to an average of 122,400 in fiscal 1961, while public shipyard employment during the same period decreased from 112,129 to 96,772. Average employment on Navy work in 1961 was 83,000, which was the highest in 7 years. Although private yards may lack full utilization in merchant-type construction, the strong nucleus of private yards, when labor being supported by Navy work is adequate to enable the industry to meet expected Navy demands, wartime.

As a result of these and other considerations, it was determined that any substantial transfer of ship repair work from public to private shipyards would not be in the national interest. The outcome of this review, as incorporated in the 1962 budget, is a shipyard work program of about $7 billion, of which approximately 85 percent is allocated to private shipyards,—about the same proportion as at present. Approximately 70 percent of the new construction shipbuilding program will be accomplished in private yards, and approximately 20 percent ($88 million) of the ship repair and improvement work during 1963 will be awarded to private yards. It is believed that planned assignments will maintain the levels of private and public shipyard capability necessary to meet current and emergency military purposes.

Extensive hearings on utilization of the Navy shipyards were conducted during July and August 1961 by the Subcommittee of the House Armed Services Committee. The special subcommittee reached the conclusion stated in the report of its first hearing on April 19, 1961, that any curtailment of the Navy shipyard support system would detract from the level of ship repair capability and conseqently impair national security.
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Your letter of January 17, 1962, expressed an interest in the recommendations submitted by the Secretary of Defense. The discussion above is, I believe, a fair summary of the principal factors supporting the Secretary's recommendations.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,


DEAR SENATOR BUTLER: This is in reply to your letter of October 26, 1961, recommending that in the formulation of the President's budget for 1963 the planned assignment of shipbuilding and similar work to public and private facilities be given an objective review. I am asking the Secretary of Defense for his recommendations in this regard and can assure you that in the formulation of the 1963 budget serious consideration will be given to the recommendations offered.

Sincerely yours,

DAVID E. BELL,
Director.

THE SECRETARY OF THE TREASURY,

DEAR SENATOR BUTLER: I have read with interest your thoughtful letter of October 26 in which you discussed the recommendations of Government-owned naval shipyards.

I do indeed have a very real interest in the conservation of tax revenues generally. However, as you pointed out, and expenditures of the Department of the Navy are outside the scope of my responsibilities. I am forwarding your letter to David Bell for review and comment since the Bureau of the Budget does control the Department's requests for appropriated funds.

Sincerely yours,

DOUGLAS DILLON.

U.S. SENATE,

Mr. DAVID E. BELL,
Director, Bureau of the Budget,
Executive Office Building,
Washington, D.C.

Dear Mr. Bell: As you proceed in the development of the Federal budget for fiscal 1963, may I call your attention to an opportunity to consider the competitive forces in the shipbuilding industry. I am told that private shipyards are out-producing and out-going while at the same time increasing in output.

I refer to the continuing opportunities to save appropriated dollars for the construction, repair, alteration, and conversion of naval vessels through a greater utilization of private shipyard facilities. It is my hope that you will give this matter a more objective review.

The following points might be helpful in placing this situation in sharp focus:

1. For the past 8 years, total employment in the 11 naval shipyards has been only slightly less than the total employment in all the public shipyards throughout the United States.

2. More strikingly, there are today about 97,000 persons employed in the naval shipyards as compared with the approximately 47,000 that have 47,000 on the same work. As a matter of fact, in all of the years since World War II, employment on naval shipwork in the naval shipyards has been twice as great as that in the private yards.

3. During the past 8 years, for naval ship repairs, alterations and conversions, the Navy spent an average of $464 million annually in the Government-operated shipyards, and an average of $126 million in private yards. It is true that the competitors are, in the tax-free, higher cost naval shipyards to be doing better than 80 percent of this work, while the taxpayers, lower cost private yards are awarded the balance on a competitive bid basis.

4. Under peak circumstances in World War II, a fleet of over 10,000 vessels—today, the same 11 naval shipyards support a fleet of 817 ships. This means that during the war, the naval shipyards required 34 men per ship, but now, nearly 120 men per ship are needed.

5. The Navy admits that costs are as much as 15 percent higher in the naval shipyards than in the private yards, and the Appropriations Committee of the House of Representatives, in its report of the 87th Congress, suggested that the Navy was awarding contracts to private and naval shipyards in an unwise and unrealistic manner. This report went on to say that the Appropriations Committee is "not convinced that the Navy is taking proper advantage of the strong element of competition which is available in the shipbuilding industry."

6. In times of emergency, it is the private yards which are expected to perform the majority of all naval vessel work—but in times of peace the private yards are neglected because of arbitrary governmental action. While the naval shipyards are flouring, the private yards are being declined and declining. In the last 15 years, more than 20 important private yards on all coasts have gone out of business because of a lack of work, and many of the remaining yards are operating at a perilously low level. In that period, all of the naval shipyards have remained open and pre-determined employment levels in these shipyards are maintained through the assignment of work with little reference to the ultimate cost to the Government, effect upon our economic base or availability of private shipbuilding capacity.

7. In World War II, the private yard side of the shipyard complex could be served by the naval shipyard side expanded by 1,300 percent; the naval shipyard side expanded by 300 percent. Obviously, the outstanding performance of the private yards, in a time of extreme emergency, greatly enhanced the fleet's effectiveness.

8. Recently, while private shipyards have been forced to lay people off, the Government-owned, Government-operated shipyards have been advertising for more workers and expanding their productive capacity. Ironically, practically all of the additional persons will perform work which could and should be done by private yards. All of the above demonstrates, in my opinion, that shipyard activity is contrary to our longstanding national objective that "the Federal Government will not carry on any commercial activity to provide a service or production for its own use, if such production or service can be procured at a lower price than otherwise would be possible through ordinary business channels."

To me, it is axiomatic that greater reliance on privately owned shipyard facilities will better serve the Nation's need for economic well-being, and thus strengthen the ability of our economic system to produce the funds may not only for military defense but for all of the many other varied activities of the Federal Government. If an assessment of the potentialities of lower cost shipbuilding is made from the standpoint of insurance, it should be noted that greater coverage at lesser cost to the Federal Treasury can be obtained through more utilization of private shipyards for naval ship procurement.

In concluding, let me emphasize that I do not advocate the elimination of naval shipyards. I do say, however, that employment and work which are carried on by Federal shipyards should be reduced to a point where the most realistic and most efficient use of Federal shipbuilding facilities can be realized at a great saving in badly needed revenue. These Government-operated shipyard facilities are much more widely dispersed than the naval shipyards. With, and for, a National shipyard industry, the defense capability of the Nation will be improved, our economy will be healthier, the shipbuilding and repair
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Industry will be saved from possible disaster, and at the same time an adequate number of skills and facilities can be maintained in the Government yards.

With deep appreciation of any comments you might care to share with me, and with best personal regards, I am,

Sincerely,

JOHN MARSHALL BUTLER
U.S. Senator

INTERNATIONAL BARBERSHOP HARMONY WEEK

Mr. MURPHY. Mr. President, this is International Barbershop Harmony Week in North America. It is being observed by the largest organized all-male singing fraternity in the world today. I refer to the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc., which has over 29,000 members in every State of the United States and most of the Provinces of Canada. These members are organized in nearly 700 chapters, sing in over 600 choruses and over 400 quartets not registered.主管部门 has been doing such a fine job in the Post Office Department.

The dedication address was given by our distinguished Deputy Postmaster General, the Honorable H. W. Brawley, who has been doing such a fine job in the Post Office Department.

To the historian, Shiloh may mean one thing; to the military tactician, another. But Mr. Brawley has discovered in the Battle of Shiloh a meaning of lasting importance and profound significance.

His is such a thought-provoking speech that I think all readers of the Record should have an opportunity to study it. Therefore, I ask unanimous consent that it appear at this point in the Record.

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

Remarks of Deputy Postmaster General H. W. Brawley at the Dedication of the Shiloh Commemorative Stamp, Shiloh National Military Park, Tenn., April 7, 1967

A visit to Shiloh on this hallowed centennial is a particular pleasure to a South Carolinian like myself. The inviolation of Congressman Tom Murray to participate today is a special satisfaction to one who has served for years on Capitol Hill where Mr. Murray is revered as one of the ablest and most effective of legislators.

And, as Deputy Postmaster General, I find the dedication of five Civil War commemorative stamps a delightful duty and an opportune occasion. Today was the climax of a series of major milestones in America's War Between the States. And we risk missing its significance, often get buried in our awe for the courage and conviction of the men who fought here.

To a military historian, Shiloh was the first of the major battles in the western theater, the classic product of the brilliant strategic mind that was Albert Sidney Johnston, the first of the stubborn stands that ended in battle here, simmers still in the memory of generations.

To a political historian, Shiloh was the key issue then facing America has returned.

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united through the seapower of the British Empire.

In those days, not so long ago, the executive branch of our Government did not lead, but observed and acted. It was the President and his Cabinet sought to avoid issues, not to face them.

The seeds of the War Between the States were not sown by the farmers and artisans of both sides who gave their lives here, but by prewar politicians from all parts of the Nation who, having led their constituents and unaffected by Presidential leadership, failed to solve the problem. When secession came both segments of nations turned in instinc­tive panic to strong executives—Lincoln and Davis—to look to the world trade markets as a decisive theater of war.

While Davis realized that the South's cotton crop could be its major economic weapon, Lincoln knew that the North's meager war potential must first be turned to countering that weapon through a blockade of southern ports.

And today, President Kennedy, with the world's executive, is looking toward a similar situation, with the leadership developed in the hard school of war and the realism repre­sentative of our foreign and military policies. He offered America the exciting economic challenge only dimly understood in the days of old.

The President's trade program has the same ingredients of breathtaking grandeur that have marked all major national motiva­tions in history.

It places the American economy firmly in the mainstream of world commerce.

It expresses deep faith in the future and vigor of the free enterprise system.

It recognizes the fact of economic hegemony in a Europe whose 20th century re­covery rivals that of the postwar South of the 19th century.

It hits the Communist empire where it hurts, in the world market where Ameri­can ingenuity and Inventiveness is at its best and the regurgitated thought of the Communist bloc is at its weakest.

It cushions the shock of effective compe­tition with anticipatory revitalization of both industrial resources and—more important—human resources.

The President is breaking through and for the first time all of America—a economic force in the world more than the equal of Europe, clearly a match of the Communist bloc and potentially the world's strongest, most versa­tile economy.

Now?

This breathtaking breakthrough can come to be because President Kennedy has brought to bear the leadership he promised—the force to "get America moving again"—and combined this genuine Executive leadership with legislative evaluation which seeks prop­erly to meld local interest, national needs, and international realities.

The President's program is a positive one, and at the same time compassionate. It assumes a Chicago school faith in the future, but recognizes that some in the country and abroad are floundering within the shadows of prejudice and fear.

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WHY MILITARY OFFICERS SHOULD NOT BE FRUSTRATED BY COLD WAR POLICIES

Mr. KEFAUVER. Mr. President, there appears in the April 1962 issue of the magazine Army, a very important article by Col. John E. Dwan II, entitled "Why There Are Some Unreal Assumptions About the Real Army.

We are interested in reading the article. (By Col. John E. Dwan II)

There exists in the military services today a definite mood of frustration and dis­satisfaction about how the United States is doing in the cold war. In my opinion a number of mature, professional officers appar­ently think that the United States is losing the cold war to the Communist enemy, and that inadequate steps are being taken to reverse the trend. Their feeling is that the fortunes of the United States are in decline, and that if current trends con­tinue, there is every prospect that eventually we will be defeated. Accompanying this pessimistic point of view is usually the clear implication that solutions are obvious if only the courage to act, or were not already adopted, wittingly or unwittingly under insidious influences of the enemy and his accomplices.

These attitudes are not shared by responsible officers in appreciable numbers—as this writer thinks they are—nor do they appear to be problems for the Nation are potentially serious in­deed. Deepseated frustrations on the part of many officers and men in the military service who have peacetime problems and matters vital to the security of their country have aroused violent passions and intermin­able strifes and are more than one nation of the
world in the very recent past. As one author writing in the January issue of this magazine has said:

"Most endemic and serious is the fact that there are profound fears for the future. The fact of the matter is that the factfulness of military groups in a democracy faces with the prospect of indefinite conflict, there is the inescapable possibility of eliminating or softening the menace recedes into distant time, frustration leads to a sense of ultimate form or act. "The world becomes split into a harsh dualism of good and evil. Why, it is finally asked, cannot civilian social order and obedience like a well-trained military organization?"

It is thus not to suggest that extremist actions such as have been reported in the press from various parts of the world are remotely imaginable in an American context, given our long military tradition of loyalty to duly constituted authority and to constitutional processes. Yet deep-seated frustrations at the very least erode morale and impede the whole-hearted efforts that are needed in these perilous times.

The mood of frustration referred to here is characteristic of some segments of the military profession, is, of course, not unique to the military. It can be observed within a portion of the citizenry at large. The point here is simply that the frustrations that appear in the military probably derive from some characteristic habits of military analysis and to the special experiences of military personnel.

This article proposes to look at some of the reasons why, in the writer's view, a sense of frustration is prevalent among some military professionals in this era of cold war. The purpose is not to pass judgment on the military, but to examine the factors that might help to explain or account for the general atmosphere.
American governments would create for themselves a raison d’être by destroying the Soviet Union and its ideological offspring.

The question, nevertheless, arises: If you are confronted with a powerful and ruthless enemy whose announced intention is to destroy you by some means, how can you, what sensible ultimate objective can you yourself have other than the destruction of that enemy? There is no point in considering the view that we have simply proved the point that indeed this must be our objective because eventually, given the character of Soviet ideology and the identity of the Soviet Union, we must inevitably come to the conclusion that this is a perfectly logical objective. Containment of Soviet power within its present borders is well and good as far as it goes, and efforts to strengthen the non-Communist world are fine, but can this course be conclusive as long as the Soviet Union and Communist China continue to exist with the unchanging objective of world domination?

In the same vein, the spokesmen in the civilian sector of American life have publicly deplored the fact that nowhere in national policy is there a systematic existing strategy to destroy the Soviet Union and all it stands for; and, surprisingly, they say, no responsible public official seems to have any such strategy. Such a fact is not simply people coming to the frustrating and, for them, irrational conclusion that, although it is vital as our ultimate and integral objective, the ultimate destruction of the Soviet system, this is not adequately recognized, nor are we taking action sufficient to achieve this objective.

Again, the source of frustration may lie in unexamined assumptions. In this case that the development of an "unconditional or them" outcome, and that our objective must be identical in character with the Communist objective, and therefore we must consciously set out on an objective of world domination? Containment of Soviet power is a logical imperative imposed by the opponent's intentions or by our own.

Nevertheless, Soviet power and Intentions face us with great dangers and greater challenges. But the dangers lie less in the Soviet Union than in its capabilities, and we should not make the mistake of equating the two. Soviet intentions are not predetermined, and we cannot be expected to make the mistake of believing that we are not a logical imperative imposed by the opponent's intentions or by our own.

Our objective is to dominate the world and to impose it on a foreign political system run from Washington. Hence, the fact that the Soviet Union is the enemy seems to be a given, and the logical outcome is that our objective is to destroy the enemy. The Soviet Union and Communist China have other than the destruction of those. As it is, this must be our objective because, in the process of modernizing the underdeveloped Third World, we have other than the destruction of the non-Communist world. We have other than the destruction of that. And what can be the threat to the non-Communist world? If this is our view and it is one that is consistent with our devotion to the idea that the non-Communist world is the heart of political potential to shape its own destiny through democratic institutions—and we should be harnessed by the enemy's rhetoric about its intentions, and feel obliged to set the objectives of strategy in terms of that.

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It is the great good fortune of the military services—and the Nation—that the numbers of its professionals whose points of view appear to be shaped by the few, are discussed here are in fact a minority. The writer has the impression that, although there is a great deal of worry about the future, they are probably far outnumbered by those who do not see the world in such oversimplified terms.

Difficult and dangerous as the current world is, and insoluble as its problems may seem to be, it is of vital importance to military people and to the profession that military services in the national effort that military professionals are not overcome by a sense of self-importance. The great challenges that the nation faces domestically have not been generated by the communists, no matter how much the communists may have contributed to some situations for its own advantage. Whether communism existed or not we would have to deal with a number of major challenges of which the following are significant examples: a growing population, burgeoning urban centers, and the resulting social consequences in terms of housing, transportation, delinquency, and education; attitudes on racial matters with their political and social disruptions; tensions that arise in labor-management relations and their impact on our economy; and the great challenge of preparing to live in a world in which there are conditions that cannot be altered by the United States.

Mr. CANON. Mr. President, supple­mental airlines cannot survive without a reasonable opportunity to participate equitably in civilian commercial air transportation. These small airlines depend upon flying charter groups to con­ventions and resort areas while also maintaining a fixed number of individually ticketed roundtrips each month because where there is a demand for low-fare air travel.

Currently, supplemental fly 10 roundtrips per month between such cities as New York, Los Angeles, San Francisco, Chicago, Miami, Honolulu, and Las Vegas. In addition these air carriers have responded effectively as a supplement to the air transportation needs of the Department of Defense. The efforts in these areas—meeting the challenge of our air lift capabilities—have been rightfully lauded by the Air Force.

I want to state at this time that the business people of my State, and espe­cally those few communities which include hotel, food, and other costs.

Since Nevada depends heavily on tour­ism these services are a life-and-death matter for many a community and for more than a few businesses.

I hope the Members of Congress and particularly those giving specific con­sideration to the supplemental air car­riers bill, S. 1989, will include all-expense tour authority and thus provide the supple­ments with an avenue of revenue through low-cost packaged charters that include hotel, food, and other costs.

This type of air transportation is vital to resort areas which cannot attract regular scheduled airlines or which are few charter group business people of my State, and espe­cially those few communities which include hotel, food, and other costs.

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ments save for a vacation, travels on a budget, wants to see America, or is part of a fraternal or business charter group heading for a convention.

Indeed, the supplementals and charter groups cater to those 78 percent of all travelers who are not in the frequent traveler category. We should not regard to a dispute which may victimize innocent bystanders—in this case, the people of the State of Hawaii.

An editorial in the Sunday Honolulu Advertiser of April 8, 1962, entitled "The Greater Right," emphasizes the need for a solution. Because of its national importance, I ask unanimous consent for the following editorial to be printed at this point in the Record, along with an article in the same edition of the Honolulu Advertiser including observations of the effects of the strike on Hawaii.

There being no objection, the editorial and article were ordered to be printed in the Record, as follows:

**The Greater Right**

Even if the shipping strike ends quickly its aftereffects will linger for some time. Many individuals and small firms will suffer losses they may never be able to recoup. Hawaii shipowners are injured by the unions, and unions who are supposed to serve it. But the owners and unions have shown that their dispute has done to these islands.

At least one point on which we agree with the shipowners is that the dispute with the maritime unions should go to arbitration. And we further agree with the owners that it is vital to develop some means by which the Federal Government, the companies, and the unions can be avoided, at least on the Hawaii run.

The Pacific Maritime calls for a compulsory arbitration panel. If such a measure any shipping dispute would automatically be submitted to arbitration panel. In effect, strikes would be outlawed. This is drastic medicine. It would restrict an important industry in its freedom to settle disputes in the traditional manner by in­

The editorial in the Record, mentions that the strike against the Taft-Hartley Act now draw national attention to the striking point. The National Government should have the power to cripple this game, of being used as pawns in an economic chess game.

The solution is not just a responsibility of the National Government. The shipowners and the maritime unions themselves can help in devising an effective and mutually acceptable plan to end the strike in Hawaii in future disputes.

It is time for the Federal Government to show awareness and sympathy for Hawaii's peculiar dependence on the shipping line.

And it is far past time for the west coast shippers and maritime unions to show responsibility and regard for their public trust as stewards of the pipeline by which the people of these islands exist.

This strike and the permanent solution should be the first order of business for the Federal Government, the shipowners, and the unions.

**ISLE CIVIC LEADERS RATE STRIKE EFFECT**

What effect will the shipping strike—or the longest on the west coast since the 6-month tieup of 1949—have on the islands' economy and on the mainland?

To the islands the strike is damaging psychologically because everyone wonders about the transportation. There is every good chance that Hawaii will get a reputation (for being a strike-bound area). The solution is not just a responsibility of the National Government. The shipowners and the maritime unions themselves can help in devising an effective and mutually acceptable plan to end the strike in Hawaii in future disputes.

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**WEST COAST SHIPPING STRIKE**

Mr. LONG of Hawaii. Mr. President, until a few days ago when President Kennedy took the first steps toward invoicing the injunctive provisions of the Taft-Hartley Act, few people on the mainland were aware of the threat which the west coast shipping strike was making to the life and economy of the State of Hawaii. The administration took early and vigorous steps to obtain a settlement, and when it appeared that a settlement would not be forthcoming in time to avert serious repercussions in Hawaii, the President very properly started procedures under the Taft-Hartley Act to obtain an 80-day cooling-off period. Everyone who has followed the course which the Kennedy administration has taken in the dispute over the strike will be based on consideration for the best interests of Hawaii and the Nation.

The circumstances of the strike and the necessity for resorting to the Taft-Hartley Act now draw national attention to the striking point. The National Government should have the power to cripple this game, of being used as pawns in an economic chess game.

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**Gurnor Quinn talks on his job.** It would appear that the Taft-Hartley law might be the only way to bring relief.

**Consumer spokesman, vice president of the Bank of Hawaii:**

"The best indication of what will happen is back to the mainland. If the strike had a large amount of unemployment, a re­

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Walter F. Dillingham:

"I have been disturbed by the question of short rations of food, and the question of how long we can go on. The strike is a jolt on everything.

"The Taft-Hartley Act offers the most encouragement. Within the time limit established by the Taft-Hartley Act, we have the right to put people back to work. I wish I could settle this thing for you.

Charles Braden, general manager of the Hawaiian pineapple industry:

"We are concerned that Hawaii's reputation as a visitor destination area will be clouded if strikes such as this one continue to happen periodically. But we are convinced that it is possible for visitors to keep on coming during the strike because of the same kinds of hotels and restaurants to stockpile food.

"On Thursday we sent 200 cables to key travel agents and Saturday we sent bulletins to explain that the strike need not affect plans of visitors.

"We were a little concerned that people would wonder why we were trying to get more visitors when food was scarce, but this [more visitors] will minimize the effect of the strike.

Malcolm MacNaughton, president of Castle & Cooke:

"This strike is the same as the other two or three we had last year, or the 1949 strike. They establish in the minds of mainland people that are subject to this transportation isolation.

"This is the bad effect—one that is lasting. It definitely affects the investment of business capital. We succeed in spite of this disadvantage.

"The thing that concerns us is that everyone is interested in an immediate settlement, with no consideration of the consequences. The shipping companies could save money in this industry—but that money is an increase in the cost of operating vessels.

"The Taft-Hartley injunction in itself doesn't solve anything. I believe the shipowners are doubtful about Taft-Hartley because they don't think that anything new would be produced.

Hawaii Teamsters President Arthur Rutledge:

"We've had a number of strikes and this one is more serious than the others because it'll be over a lot sooner than is the belief of many politicians who are trying to make hay. They cut out our jurisdiction. He should have done business through the elected Congressmen of the State.

"The effect of the strike? Hawaii, an isolated area dependent almost entirely on shipping, hasn't done too badly in spite of strikes, and has done better than some mainland communities. Hawaii will continue to do so in spite of these temporary inconveniences.

Herbert Cornuelle, president of Dole Corp.:

"It is true that people considering investment might look at work stoppages as a handicap, and a person who is undecided might have his opinion crystallized. An investment in pineapple transportation is one of the factors investors have to take into consideration.

"The strike is crippling to us (the pineapple industry). It has resulted so far in a severe dislocation in pineapple stocks on the mainland. But the effect of a Taft-Hartley strike would depend on how it might make for a more critical situation at the peak of the shipping season.

"I think there's a simple, logical answer (to how to prevent future shipping tieups).

Mayor Neal Blaisdell:

"I don't think the strike in any way is going to determine whether new industry will locate here. Land, water, and roads will determine much of any new industry.

"You see, there is a misconception. People think that because Hawaii is in the throes of a shipping strike, Hawaii is completely cut off. There are other lines that could serve Hawaii if the people would utilize them.

"What we should have is widespread competitive shipping. If we're wholly dependent on one service, it's just too bad. I see no avenue to treat Hawaii differently than the other States.

"As far as enacting laws to prevent strikes from thrusting Hawaii, I don't think such legislation is legally or constitutionally possible.

"If my belief, if the Taft-Hartley Act is invoked, an injunction won't help the situation, except for 80 days, unless the parties are closer to settlement.

Mayor William B. Hirstell:

"There may be permanent injury to some small businessmen—but our major industry will recover fully, completely, and in a minimum of time.

"I suppose the fact that there is always an element of coming from the mainland, would have an effect on investment capital. But I don't have any doubt whatever that Hawaii will continue high-level progress.

"Governor Quinn has been doing an excellent job. A Taft-Hartley injunction won't allow us to keep the labor system in operation that has given us the opportunity to restock our shelves and the bargaining parties time to settle down to real negotiations.

NEED FOR ADDITIONAL GOLD PRODUCTION

Mr. CASE of South Dakota. Mr. President, people of no standing than officials charged with managing the Government's finances at various times today are more concerned about the outflow of gold than any other problem confronting them.

There is one clear remedy to the gold shortage, that is to have more gold.

People who know nothing of the mining industry assume that gold is being produced because it pays to produce gold. Today it does not for ordinary mining conditions and ordinary management. I happen to have the honor of coming from a state where extraordinary mining and smelting and experience of loyal and efficient workmen combine with an ordinary deposit to make possible the continued operation of the Homestake Gold Mine, the last of the great operating mines in this country.

But how long even the Homestake can continue to operate is problematical.

The freezing of gold at $35 an ounce in 1934 and the maintenance of that fixed price coupled with the requirement that the gold from lode mines must be sold to the Government at that price in the face of mounting costs for drilling steel, chemicals, and all the other costs that go into deep underground mining have created the most adverse cost-price relationship that has ever been experienced. If the Government is going to persist in its monopoly and fixed price position, the least it can do, it seems to me, is to learn some such legislation as is proposed by Senate Joint Resolution 44, introduced jointly by Senators Scows and Kucum of California, and myself. It would help to keep alive the producing mine or two now left and would offer the encouragement needed if other mines are to reopen and to increase the domestic production of gold.

At this point I submit for careful review and ask the Senate to consider the Record an article which appeared in the New York Times of last Friday, March 9, 1963, recording the worst outflow of gold from official channels by bringing stocks down to a $16 billion figure, whereas a few years ago they totaled over $22 billion. That means a loss of over $6 billion in 5 years.

The situation is serious and merits immediate and favorable consideration. There being no objection, the article was ordered to be printed in the Record, as follows:


The U.S. monetary gold stock sustained its biggest weekly loss of 1965 in the week ended Wednesday when a $96 million erosion occurred according to a report by the Federal Reserve Bank of New York yesterday. The gold stock loss in the week January 1 to $160 million compared with a loss of $394 million during the 1961 period.

The monetary gold stock is reduced when foreign central banks purchase gold for dollars at the rate of $35 an ounce. The Treasury is committed to selling gold at this price to official foreign agencies.

Dollars are accumulated abroad by central banks when the total outflow of funds from the United States exceeds the total inflow, giving rise to a balance of payments deficit. The U.S. balance of payments has been in debit chronically since World War II.

FIVE-YEAR LOSS $6 BILLION

The U.S. gold stock now totals $18,730 million. The loss since January 1, 1960, has exceeded $6 billion. The loss in 1961, however, was about half the $1,700 million loss in 1960, and Treasury officials are hopeful that the worst years of loss have passed.

But the U.S. gold stock is vital to the Nation's economic health since gold is the ultimate international medium of exchange and the nations settle their debts. It is a universally accepted medium of exchange and in effect measures a nation's ability to meet its debts.

The Federal Reserve Bank of New York also reported yesterday that net free reserves of the Nation's member banks on an average daily basis had declined to a new low for the year during the week ending Wednesday.

CONGRESSIONAL RECORD—SENATE

April 11
Net free reserves reflect the lending capacity of the banking system. As the services and credit of the banks and other conditions tend to become tighter. If declining reserves persist, credit costs—meaning interest rates—rise.

**Net Free Reserves Dip**

Average daily net free reserves of $450 million were down considerably from the $666 million recorded the previous week, and weekly net free reserves as the week ended Wednesday of $491 million compared with $604 million on the preceding Wednesday. Money market observers were not reading any special significance into yesterday's reported reserve declines, however. The Federal Open Market Committee has sold Treasury bills or sells securities in order to keep the banks' free reserves at a desired level, but the results sometimes are not satisfactory.

Through January, for example, free reserves hovered above $500 million on weekly average. Beginning in February, however, the target level apparently had been reduced to about $400 million. But the latest weekly decline does not necessarily mean that the Federal Reserve authorities are moving directly toward tighter money conditions. Occasionally, substantial fluctuations in other respects on the banks' books will take place. Last week, for example, there was a massive movement of cash out of the banks' vaults and into the hands of the public.

This development often takes place at the end of a month, however, the Federal Reserve will attempt to compensate for the changing pressure on reserves by adjusting its open market operations. From time to time, the calculations are not exact and reserves rise or fall disproportionately with respect to the target level.

The central bank in New York reported that net free reserves, which had hovered above $500 million a month ago, had happened a month ago. During the week ended January 31, average net free reserves were $470 million. On February 14, the reserve had fallen $470 million and reserves have been cut to $384 million. By February 14, the reserve had cut back up to $427 million. In the next 2 weeks, some sharpshooting by the Open Market Committee returned levels of $421 million and $428 million.

If, of course, the next few weeks show free reserves persisting at levels substantially below $400 million, the inference then can be drawn that the lightening reflects policy rather than the vagaries of the open market.

The central bank in New York reported that the regional clearing banks early the Federal Reserve, as a matter of fact, that we have been recovering from the 1960-61 recession. Unquestionably, this stability in retail prices is attributable in substantial degree to stability in the price of steel which is so basic to our economy.

Steel is one of the several large American industries dominated by the Big Three or Big Fours on one hand and a tacit agreement by the industry's leaders, including United States Steel, to hold the line on steel prices and the negotiation of noninflationary labor-management contracts. When the President appealed to steel industry officials last fall, he made it clear that he would urge restraint upon leaders of labor with respect to the contract provisions they might seek during negotiations for a contract to replace the one expiring on June 30, 1962. The steel industry accepted the President's proposals. The President kept his pledge. His appeal, both to labor and to management last winter and, particularly, his intervention to bring about initiation of negotiations well in advance of contract expiration, culminated in agreement between the American people about another inflationary increase in the price of steel.

A similar objective was sought by a number of my colleagues and myself who discussed the floor of the Senate in August last year the adverse impact upon our economy which would be brought about by another increase in steel prices. We endeavored to emphasize that the public interest—public interest of both the steel industry and its employees—would be best served by a hold-the-line policy with respect to steel prices and the negotiation of noninflationary labor-management contracts.

When the President appealed to steel industry officials last fall, he made it clear that he would urge restraint upon leaders of labor with respect to the contract provisions they might seek during negotiations for a contract to replace the one expiring on June 30, 1962. The steel industry accepted the President's proposals. The President kept his pledge. His appeal, both to labor and to management last winter and, particularly, his intervention to bring about initiation of negotiations well in advance of contract expiration, culminated in agreement between the American people about another inflationary increase in the price of steel.

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The degree to which the President's intervention may have influenced the steel companies in their decision not to call for an existing labor contract in the steel industry. President Kennedy appealed directly to officials of the steel industry, urging them not to resort to a further increase in the price of steel, thus setting off an additional round of inflationary pressures. The fact that no general increase in the price of steel occurred was widely hailed as constituting assurance of continued price stability.

Mr. GORE. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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, last evening the President of the United States Steel Corp. announced an increase in the price of steel. This news came as a great shock, surprise, and disappointment to the steel companies, to all those who have recently acquired what was thought to be a new attitude of economic statesmanship on the part of both management and labor in the steel industry.

This is a sorry end to an effort on the part of many, and particularly on the part of the President of the United States, to promote the national interest. United States Steel has pulled out an end run before the ink is dry on a noninflationary wage contract.

During the past year we have enjoyed relative price stability. This is particularly significant in view of the fact that we have been recovering from the 1960-61 recession. Unquestionably, this stability in retail prices is attributable in substantial degree to stability in the price of steel which is so basic to our economy.

Steel is one of the several large American industries dominated by the Big Three or Big Fours on one hand and a tacit agreement by the industry's leaders, including United States Steel, to hold the line on steel prices and the negotiation of noninflationary labor-management contracts. When the President appealed to steel industry officials last fall, he made it clear that he would urge restraint upon leaders of labor with respect to the contract provisions they might seek during negotiations for a contract to replace the one expiring on June 30, 1962. The steel industry accepted the President's proposals. The President kept his pledge. His appeal, both to labor and to management last winter and, particularly, his intervention to bring about initiation of negotiations well in advance of contract expiration, culminated in agreement between the American people about another inflationary increase in the price of steel.

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steel prices. Indeed, there was every reason to believe that continued price stability was assured during the period covered by the contract. On the Senate on August 4, I described the negotiations which culminated in this contract as "a noteworthy example of effective collective bargaining" and stated that the proposals which were involved in the negotiations merit commendation for demonstrated economic statesmanship in the public interest."

The assurance that this contract would not only continue stability in steel prices but that prices may be able to break even when operating at a rate of only 38 to 40 percent of capacity, Mr. President, this is the first time I have heard of the pressure of competitive forces or, perhaps, from other products in the market for steel. "Since there is no real competition within the domestic steel industry, Mr. Worthington presumably refers to foreign producers and competing products by raising prices, which will depress demand, reduce utilization of production capacity, and raise unit costs. I noted yesterday—or perhaps it was today—that the president of Bethlehem Steel Corp. was quoted as having expressed sentiments similar to those I have stated.

Mr. President, the restraint apparently exercised by the steel industry last fall led me to conclude that its officials were in some degree cognizant of the public responsibility they bear as managers of so large a segment of the Nation's economy. Unfortunately, it now appears that they were merely awaiting a propitious time to spring the trap. They hurriedly announced yesterday on the new wage contract to announce that competition was forcing another price increase.

In recent years, there has been considerable discussion about the cause of periodic sharp increases in the price of steel. Some have described this phenomenon as a wage-price spiral. Others have described it as a price-wage spiral. Well, to the extent this theory has validity, we now know which is the correct descriptive term to apply.

Mr. President, existing law provides no weapon with which we can be made to go down, and vice versa. Thus it appears that such items actually increase, too? Not only is the steel marked up, but by the time it is processed again, does it not cost more? We know there are losses through trimmings, and various materials are worked in with the steel for different purposes. It receives different treatment in the making of different objects. Does not the increased cost of the steel force an increase in the cost of such objects, when the base price of steel is raised a sizable number of dollars a ton?

Mr. GORE. I do not have the answer unques­tionably is "Yes."

Mr. YARBOROUGH. I wish to ask the distinguished Senator from Tennes­see, for a question. I have been receiv­ing protests from my part of the country for a number of years about American steel being driven out of the market, particularly items such as barbed wire, different kinds of wire net­ting, and nails. People have written me that such items are imported into the Gulf States, move into the States of Texas, Oklahoma, and others, and drive American steel products out of the market. Will not a price increase make it more difficult for American steel to compete with imported steel, particu­larly the facts that the President has gone to great lengths to persuade labor to agree to scale down its wage demands so that we may hold the price line?

Mr. GORE. To small minds, such as mine, the answer would obviously appear to be "Yes." But Mr. Worthington has said that he is raising prices because of competitive pressure. Perhaps the dis­tinctive Senator from Texas, with his great learning and wide experience, can explain that statement to me?
such as nails, wire netting, and barbed wire. It seems to me that the increase will put us out of the market further at this time in competition with Common Market products.

Mr. GORE. As the Senator has said, many people are alarmed about international competition. Many have said that American business and industry was pricing itself out of foreign markets. The Senator has just said that the steel industry is pricing itself out of the U.S. market.

Mr. YARBOROUGH. Government contracts are being let in our part of the country—and I am certain that in other parts of the country contracts likewise are being let—which would require American contractors in building projects to use American steel. I think we should. We spend the taxpayers' money to construct buildings; therefore, the Government ought to require the use of American steel and the employment of American labor. In our section of the country, I know of contractors using foreign steel because the union leaders are trying to slip foreign steel into the construction of buildings, because it is so much cheaper than domestic steel.

I cite that situation only as another problem growing out of the sudden, unexpected increase in the price of steel. It arises after the great work of the President in reaching some kind of understanding, as we thought, in prevailing upon labor to hold down its wage demands so that prices could be held steady.

Mr. SYMINGTON. The distinguished Senator from Tennessee is not the most knowledgeable man in the Chamber on the question of steel prices, he is one of the three or four most knowledgeable. I have not heard anyone else who has shown the depth of learning on that subject that he has. He has kept up with the recent negotiations between management and labor, and he knows, and I know, what has happened and what might happen to our economy as a result. I believe that the Senator and the country are indebted to him for his fine work. I know what has been happening to retail steel sales in my own State because of the great increase in the volume of imported steel by people who say, "We ought to use American steel, but we must buy it where we can get it the cheapest."

My concern is that we are pricing American steel out of the market, and consequently many American workers will be thrown out of employment.

My concern is that this would not happen this time. The Senator who took from Tennessee regard the increase in the price of steel as a breach of faith with the President of the United States?

Mr. GORE. I am not sure that I could say necessarily I am a breach of faith. I think it is very near that.

Let me state what has happened, as I see it. To begin with, the Senator will recall the great controversy that was finally settled in a conference between former Vice President Nixon and steel industry officials. At that time it was generally rumored that an agreement was reached for a price increase after November 1, and that increase to the price of steel was well advertised last fall as being imminent. As I stated before the Senator entered the Chamber, the Senator and the distinguished Senator from Texas will recall, President Kennedy, in an earnest and intense effort to break the cycle of t Teddy price inflation, cast the full weight of the President's authority and appeal to the industry not to go through with the price increase which had been so well advertised. The senior Senator from Missouri [Mr. Symington] and the senior Senator from Texas [Mr. Yarborough] and I met with the President and with the leaders of the United States Steel Corporation, as the leader in the steel industry, and in which there are only a few important producers, has quickly led, in my opinion, to the maintenance of reasonable prices, by similar action on the part of other steel companies. I would hope that this would not happen this time.

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

Mr. GORE. I yield.

Mr. SYMINGTON. It is true, it is not, that the price trend in the steel industry almost invariably follows the decision of the largest company, United States Steel?

Mr. GORE. Unquestionably the pattern has been what the Senator mentioned by the United States Steel Corporation, as the leader in the steel industry, in which there are only a few important producers, has quickly led, in my opinion, to the maintenance of reasonable prices, by similar action on the part of other steel companies. I would hope that this would not happen this time.

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

Mr. GORE. I yield.

Mr. SYMINGTON. If it does happen, then the guarantee of further inflation is just around the corner, is it not?

Mr. GORE. Because of the inevitable consequence of a rise in the price of steel.

Mr. SYMINGTON. The Senator who knows at least as much on this subject as any other Member of this body and with whom I had the privilege of discussing this subject on the floor of the Senate several years ago, knows that if the rise in the price of steel goes through as an industry decision, the price of nearly everything else in the country can only increase. Is that not correct?

Mr. GORE. Does the Senator know of any other commodity that is as basic to our industrial society as steel?

Mr. SYMINGTON. No; I do not. I ask the able Senator from Texas, does he know whether, in the negotiations that were conducted by Secretary Goldberg and other representatives of the President, with the labor union involved, assurance was given, or could be expressed, as to what the position with respect to prices would be if the labor request was acceded to?

Mr. GORE. I was not a party to these negotiations, and I am not informed in that regard, except that the wage contract was well within the limits of increased productivity. Therefore, I am not sure that I could have been of much help to Mr. McDonald not to have asked something about the future of prices—and certainly it would have occurred to the Senator and to me—since he was talking to the man who represented the steel companies in the overall industrial negotiations.

Mr. GORE. I would be very much surprised if the President did not learn that as much as the Senator has described was held.

Mr. SYMINGTON. I have read the address of the distinguished Senator from Tennessee and I commend him for it. I am making my contribution to the past efforts he has made on this floor to avoid price increases and further inflation in the country.

Mr. GORE. I thank the Senator for his generous comments and for his encouragement. I should like to suggest that there may be some correlation between the issuance of restricted stock options and the price increase which was announced last fall and in fact the price has been off a little. However, look what is happening to the stock market today. What is happening is an inevitable consequence of the announcement in respect of steel, because this price increase means bigger profits, bigger dividends, more inflation. There are many consequences which are inevitable. I wish to call to the Senator's attention the fact that capital insidors of U.S. Steel were recently given...
more very handsome restricted stock options, and they are worth a great deal more today than they were yesterday.

Mr. SYMINGTON. As the Senator from Tennessee will remember, despite the monopoly strike in 1959, the profits, overall, of the large steel corporations were greater after taxes in 1959 than in 1958. That is a figure which I will always remember. It would be interesting to see how the profits are divided among the various officers of the companies.

Mr. SYMINGTON. I hope that the Senator will remember, despite the usual perspicacity, will devote some attention to that fact; namely, as to why it was necessary to raise prices now.

Whether or not it is, in the Senator's opinion, a breach of faith, it would be interesting to get the economic facts as to profits against sales and investment in the past year as against previous years.

Mr. GORE. That would be worthwhile information, and I shall seek to develop that point.

Mr. SYMINGTON. I thank the Senator.

Mr. GORE. Mr. President, in this connection, United States Steel released one of the early option grants. The restricted stock option was authorized in 1950. By January 1951, United States Steel had approved the setting aside of $3,000,000 for 300 of its top management people.

The Securities and Exchange Commission reports for the 5 months up to and including February 1961 showed that six officers of United States Steel purchased 32,300 shares of stock under option. This represents a possible gift of $1,291,000. Mr. Blough purchased 12,000 shares. He reportedly draws a regular salary compensation of $275,000, which should put him in the 90-percent tax bracket. Considering the difference between the 90-percent and 25-percent rates, the possible gift of 32,300 restricted stock options was worth, perhaps, $300,000 to Mr. Blough on this one block of stock alone in 1961.

Local or regional problems could best be considered by boards set up at those levels. But when a national problem arises, such as the price of steel or the wage level for the whole industry, the National Board should operate within the framework of the applicable statutes.

Before the start of the strike, the President of the United Steelworkers of America had gone to Washington and presented a list of demands to the President. He said that the steel industry was in a serious position, that the strike would be a tragedy, and that it would be a national disaster. He said that the President had the power to act in the public interest and that he should act. He said that the steel industry was in a serious position, that the strike would be a tragedy, and that it would be a national disaster. He said that the President had the power to act in the public interest and that he should act.

Senator, I suggest that the President of the United States, through the Federal Trade Commission and direct the Attorney General of the United States to intensify and accelerate efforts to enforce existing applicable statutes.

Specifically, I would like to call to the attention to our enforcement agencies the fact that in 1951 the steel industry entered into a consent order with the Federal Trade Commission under which it was ordered to cease and desist from entering into any "planned common course of action, understanding or agreement" to boycott, establish, fix, or maintain prices. It would appear to me to be at least prima facie evidence of a violation of this consent order of the other steel companies now follow United States Steel in raising prices about $8 per ton.

I suggest further, Mr. President, that Congress should promptly begin the consideration of legislation to provide additional machinery for the protection of the national interest in situations similar to that which pertains in the steel industry such legislation might follow one of the following approaches: First, Congress should consider the establishment of an international organization that might be called a National Consumers Advisory Board. Such an agency should include representatives of the press, big business, labor organizations, religious groups, welfare organizations, service organizations, and the like. It should be a permanent organization, chartered by the President and funded by a permanent staff and secretariat paid from Government funds.

Second, Congress should consider application of the provisions of the Taft-Hartley law for application to strikes which threaten to imperil the national health and safety. The imposition of a waiting period of reasonable length would, I believe, focus national attention on the impact upon the economy resulting from such price increases and they permit the formation of a consensus of the national opinion relative to the justification for such price increase, or the lack thereof.

Third, if measures of the type described above prove to be inadequate, Congress should consider application of utility type regulations to the pricing policies of monopoly-controlled basic industries similar to the manner in which various Government agencies now regulate prices in other fields characterized by monopoly control such as railroad, air transportation, pipelines, telecommunications, electricity, and other fields. I realize that this latter proposal may be considered by some drastic, but in the final analysis the Government must not stand idly by permitting victimization of the national interest.

Mr. President, I am now preparing legislation to bring about the following situation in each of the areas I hope Congress will give immediate attention to those proposals.

Mr. MOSS. Mr. President, will the September raise from Tennessee yield?

Mr. GORE. I yield.

Mr. MOSS. I commend the Senator for his able exposition of this subject, and express my deep concern about the problem he is discussing.

When I opened my newspaper this morning and read that United States Steel Corp. had increased the price of steel in 1961, I was as shocked as I would have been had I read that the Nation had become engaged in an actual conflict, because I think the danger from a rise in steel prices is probably as great as if the country were engaged in some over conflict.

Had not the assumption been all along during the recent negotiations that management and labor would both show restraint; and does it not appear now that the representatives of labor exercised restraint in negotiating the contract?

Mr. GORE. I think there was widespread belief that that restraint was part of the industry, in response to the appeal last year of the President, and the restraint just recently on the part of labor—again in response to an appeal by the President, in the public interest—both having resulted in a stabilization of prices and wages in the steel industry—had brought us happily to a significant break in the treadmill of price and wage inflation. So, Mr. President, just as the Senator from Utah states that he was shocked when he read of it this morning, I believe the overwhelming proportion of the American people were shocked, and I daresay many of them were angry.

Mr. MOSS. The size of the increase is very considerable; and following, as it does, within a period of one of the most critical of the negotiations, it casts great doubt, it seems to me, on the good faith of the industry's representatives in bargains, and for the latest appeal.

Mr. GORE. Well, it is a 3½-percent price increase. Of course, if the wage contract had provided a significant increase on the wages of the steelworkers, perhaps an increase of $6 an ton in steel...
Mr. GORE. Certainly the burnt child dreads the fire. After having indulged in the assumption that a favorable response to such an appeal by the President of the United States for wage restraint, in the public interest, would result in a stabilization of the price level, and then to see this "end run" before the ink of their signatures to the agreement had barely been dried, I am in doubt hereafter as to the intentions, if not the integrity, of the leaders of the United States Steel Corp.

Mr. PROXMIRE. Does not the very dramatic experience we have now seen in the steel industry make it extremely difficult for the President, the Secretary of Labor, and others to extend to other industries this concept of restraint on the part of the workers and a recognition of their responsibility for price stabilization?

Mr. GORE. Yes, it is a most discouraging blackjacking of this concept. This concept—although some of the labor leaders did not endorse it—held out to the workers in the United States whose prices are subject to increasing competition from abroad, the hope that there was a sound way to obtain a wage increase; namely, by means of more efficient production and industry within the framework of increased productivity. But now the United States Steel Corp. has blackjacked the entire concept.

Mr. PROXMIRE. Is it not true that despite substantial wage increases, it has been possible for the steel industry, because of vast increases in steel prices, to make a profit at a lower and lower capacity operation, so that whereas a few years ago it was necessary for the steel industry to operate at 70 percent of capacity in order to keep steel prices down, today it can operate—according to testimony given before the Joint Economic Committee, and not contested by the steel companies—using 40 percent of capacity, and still make money? So today, when the steel industry is operating at perhaps 65 percent or 70 percent of capacity, it can make a great deal of money.

But when the steel workers agree to keep their total increases—in this case, fringe-benefit increases—below 3 percent, as they have, the annual 5-percent increase in productivity on the part of the steel workers, which has occurred regularly—as has been established, would automatically have given the steel companies higher profits, even if the steel industry had maintained their prices. So is it not true that there was a good case for having the steel companies cut their prices, this year, rather than increase them? Is not that correct?

Mr. GORE. Yes, I think there is a good case for it. However, the steel companies cut their prices, this year, on the basis of some strange economics. The United States Steel Corp. says this price increase is forced upon it by competitive pressures. I do not quite understand that statement.
Mr. CHURCH. Does the Senator know of any data revealed in any of the exhaustive studies taken by the Senate and the House committees and other departments of Government which would indicate that current profits in the steel industry have fallen so low as to warrant this price increase?

Mr. GORE. I do not, indeed. As the Senator from Wisconsin said, a very good case could be made, by the rules of ordinary economics, for a price decrease.

Mr. CHURCH. I know of nothing in any of these studies which would justify the price increase that has been announced this morning. I put the question to the Senator from Tennessee because he is an expert in the field.

Mr. GORE. Well, I thank the Senator, but I do not claim to be an expert. I am a concerned student.

Mr. CHURCH. But I would make this comment in view of what we know about the fiscal condition of the steel industry in this country. It seems to me it is a very clear-cut case made by Mr. Blough when he says that United States Steel needs this increased price in order to strengthen its economic position by safeguarding it from the position that it faces, and then he proceeds to admit, in the same announcement, that the price increase will make United States Steel less competitive with foreign steel and other substitute products.

It seems to me this is a non sequitur, which reveals that the primary motivation is to increase short-term profits for the ownership, and not to strengthen the long-term economic position of American steel with respect to foreign steel or substitute products.

Would the Senator not agree with that statement?

Mr. GORE. I agree, and go further and say that in my view it is a contemptuous disregard of the public interest.

Mr. CHURCH. Let me ask one final question to which the Senator may respond in the way he chooses.

Mr. GORE. I do, indeed. In fact, I do not think there is a factor in American economic life that is more basic to our industrialized society, or perhaps as basic as steel prices.

Mr. CHURCH. I think that proposition cannot be argued. Now we have imposed public regulation upon the railroads and upon private utility companies after long and sad experience demonstrated that they could not be relied upon to manage their own rates and conduct their own favored monopolistic position in our economy in such a way as to safeguard the public interest.

Regulations have been established yesterday, and in view of the whole record of United States Steel in particular, and the steel industry in general, since the close of the war, I concur wholeheartedly with the Senator from Tennessee that the time may be on hand for us to examine the propriety of extending public regulation to the steel industry in such form as will insure the American public of the safeguards needed to protect the public interest.

I feel that the Senator from Tennessee has made a most significant address. I am only sorry that our friends from the opposite side of the aisle have not seen fit to join him in the criticism the Senator from Tennessee has expressed today, because his arguments are incontrovertible on the facts. Unless we come to grips with the problem of inflation and deflation, with the unworkable balance of payments, we will find ourselves priced out of the markets of the world, and all the people of America will be the victims of that process. It is the responsibility of the Government of the United States to move forward in whatever way is necessary to prevent that from happening.

I thank the Senator from Tennessee for his excellent address.

Mr. GORE. I wish to thank the distinguished junior Senator from Idaho for his generous remarks and also to thank him for the encouragement that to my mind the announcement of the steel price increase is a blow to the efforts of President Kennedy to maintain stability in the price-wage cycle, and to stop inflation. We had all hoped he had succeeded. It is rather shocking, after the crisis which we have been through, to be asked to pretend that labor refrain from asking for wage increases the steel industry would not ask for price increases-to see what would happen in the economic situation to what a degree. I think it is a very serious situation.

The Senator from Tennessee has proposed various remedies, for the future. I wonder whether the Senator has any suggestions as to how we can meet the immediate crisis—as to whether it might be possible, in view of the disastrous consequences which are very likely to ensue, to persuade the United States Steel Corp. to take another look, in terms of withdrawing the price increase; and likewise to work, as our majority leader has indicated, with the other steel companies, in the hope that they will not follow the example of the United States Steel Corp.

Mr. GORE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. GORE. First, I thank the Senator from Alaska for his very generous remarks. I also thank the distinguished majority leader.

In response to the Senator's question, the President of the United States is the only man in our Government who speaks for all the people, who was chosen by all the people, who is responsible directly to all the people. It is the Presidency, more than any other agency, in which the public interest is focused.

The President of the United States, more than anyone else, can bring the public interest to bear. Therefore, I would hope that President Kennedy would not let the sun set upon his power of appealing once more to the steel industry to exercise restraint, to refrain from inflationary action in regard to steel prices.

I would hope that the President would ask the United States Steel Corp. to reconsider, and to rescind its action. I hope the President will ask other companies, in the event the action is not rescinded, to refrain from following. It.

Unless there is compliance with both requests, it seems to me that the Congress will have no choice other than to act. The public interest is being
thwarted, disregarded, threatened and challenged.

Mr. GRUENING. Has not the Senator from Tennessee noticed, throughout the last year or two, full-page advertisements by large industrial concerns pointing us towards the end and restating the theme, "Inflation is our enemy; inflation robs us of our savings"? This is an example of the bellwether of American industry ready to take a drastic step towards defeating inflation.

Mr. GORE. It is a sad experience.

Mr. GRUENING. Is it not also a fact that the steel industry has been complaining of foreign competition and pointing out that, with lower wage scales in foreign countries, it is expected to be increasingly difficult, if not impossible, to compete with imports. The action of raising the price of steel $6 a ton runs directly contrary to these complaints and arguments, which the industry has been advancing.

Mr. GORE. I know of no way to rationalize the actions.

Mr. GRUENING. The Senator has read the justification published in the morning newspapers by the steel companies, and do you feel to any degree as a logical presentation?

Mr. GORE. It surely does not.

Mr. GRUENING. That was my impression.

Again, I congratulate the Senator from Tennessee for his masterful presentation of this subject and for bringing it before the country.

Mr. RUSSELL. I was glad to yield. Mr. GORE. I thank the Senator also for yielding.

Mr. RUSSELL. I was glad to yield for such a worthy purpose.

Mr. JAVITS subsequently said: Mr. President, there has been a considerable discussion in the press conference earlier this afternoon of the views on the steel price increase by the distinguished Senator from Tennessee (Mr. Gore) and now. Because the debate should appear in print, I now ask unanimous consent that my remarks—and perhaps other Senators will make a similar request—follow those of the Senator from Tennessee.

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

Mr. JAVITS. Mr. President, it is widely recognized, and, indeed, the statement of the President of the United States at his press conference so indicates, that the price increase in steel is a very serious matter. It came very suddenly, at least to those of us who had no notice of it; apparently the President did not know of it until yesterday.

Mr. President, it is not a development to be cheered. It is a development to be deplored. But, at the same time, it is a development that is going on in our economy. We pride ourselves on the fact that we have a private enterprise economy, and therefore we absorb the advantages with the disadvantages which such a system entails.

Up to the moment of the increase, all of us were very anxious to see a steel price increase avoided. We thought it could only lead to another inflationary spiral. We thought, when the contract was made with the employees some days ago, that it anticipated the situation that there would be a need for a price increase, and that was all to the good. Nevertheless, the United States Steel, Corp., which we all know to be the leader in the steel industry, announced a 3½ percent price increase, and although we hope it may not, the price increase will probably be followed by other steel companies.

I think the big question which affects us now is: First, what will happen in the economy generally; and second, what will happen in the case of steel itself? So I think it is important that Members of the Senate make themselves heard, and very early in the game. For one, there is absolutely no requirement that this rather small increase in the price of steel, 3½ percent, should necessarily extend throughout the whole price structure. Steel prices have not increased since 1958, but some increases have taken place in wholesale and consumer prices. The steel price increase is sufficient to leave some slack so that the steel price increase may not affect the total price structure. I think it is important that we keep our expectation that, by and large, there will be no material effect on the total price structure of the increase in the steel price.

The president of the United States Steel Corp., Leslie B. Worthington, who gave a statement on the price increase, pitched the justification for the increase heavily on two points.

Mr. President, I ask unanimous consent that the text of the statement may be made a part of my remarks.

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

TEST OF UNITED STATES STEEL'S STATEMENT ON PRICES

Since our last overall adjustment in the summer of 1958, the level of steel prices has not been increased, but, if anything, has declined somewhat. This situation, in the face of steadily mounting production costs which have been sharply increased by unwieldy wage rates and benefits prior to the end of last year, has been due to the competitive pressures from imports of foreign-made steel as well as from other materials which are used as substitutes for steel.

The severity of these competitive pressures has not diminished; and to their influence may be attributed the fact that the partial catch-up adjustment announced today is substantially less than the cost increases which have already occurred since 1958. Without taking into consideration the additional costs which will result from the new labor agreements which become effective next July:

Nevertheless, taking into account all the competitive factors affecting the market for steel, we have reluctantly concluded that a modest price increase will have to be made here in order to avoid being caught in a false spiral, which would be avoidable in the light of the production cost increases that have made it necessary.

MODERN PLANT NEEDED

If the products of United States Steel are to compete successfully in the marketplace, then the plants and facilities which make those products must be as modern and efficient as any in the world and in any location abroad and as the plants which turn out competing products here at home. Only by generating the funds necessary to keep these facilities fully competitive can our company continue to provide its customers with a dependable source of steel, and to provide its employees with dependable jobs. But the prospect of the costs which have been between rising costs and declining prices—inevitably today to perform this role.

Our annual report, published last month, shows clearly the effect of this squeeze. In the 3 years since the steel industry increased United States Steel has spent $1,185 million for modernization and replacement of facilities and for the development of new sources of raw materials. This was only from the two sources from which this money could come: depreciation and reinvested profit. Depreciation has increased 50 percent to $610 million; and reinvested profit, $187 million—or, together, only about two-thirds of the total sum required. So after using all the income available from operations, we had to make up the difference of $388 million out of borrowings from the public. In fact, during the period 1958-61, we have actually borrowed a total of $800 million to provide for present and future needs. And this must be added to the $1,185 million that has yet been earned, and will not be earned for some years to come.

During these 3 years, moreover, United States Steel's profits have dropped to the lowest levels since 1932; while reinvested profit has also increased from $260 million to $400 million. Yet the dividend rate has not been increased in more than 5 years, although there have been seven general increases in employment costs during this interval.

RISING COSTS CITED

This squeeze, which has thus dried up a major source of the funds necessary to improve the competitive efficiency of our plants and facilities, has resulted from the continual rise in costs over a period of almost 4 years, with no offsetting improvement in prices.

Since the last general price adjustment in 1958, there have been a number of increases in the cost of products and services purchased by the corporation, including local and national taxes, and other expenses, including interest on the money we have had to borrow—an amount over $1,000,000,000 in 1958 to nearly $830 million in 1961. And from 1958 through 1961, there have been increases in the cost of employees' hourly wages and benefits on four occasions amounting to about 40 cents an hour, and also increases in employment costs for other employees. These persistent increases have added several hundred million dollars to the employment costs of United States Steel, without regard to future costs resulting from the new labor agreement just negotiated.

In all, we have experienced a net increase of about 6 percent in our costs over this period despite cost reductions which have been evidenced through the use of new, more efficient plant facilities and better raw materials. Compared with this net increase of 6 percent, the price increase of 3½ percent announced today clearly falls considerably short of the amount needed to restore even the cost-price relationship in the low production year of 1958.

SQUEEZE TO COMPETITION

In reaching this, we have given full consideration, of course, to the fact that any price increase which comes, as this does, at a time when foreign-made steels are already underselling ours in a number of product lines, will add—temporarily, at least—to the competitive difficulties which we must face. The Luxembourg price level cannot be maintained any longer when our problems are viewed in long-range perspective. For the long pull, a strong,
profitable company is the only insurance that formidable competition can be met and that the necessary lower costs to meet that competition will be assured.

On the other hand, a company can improve its competitive potential through better equipment and through expanded research into new steels which are constantly developing lighter, stronger steels—which for ton—will do more work and go much farther than the steels that were previously available on the market. They thus give the customer considerably more value per dollar of cost. As more and more of our people enjoy the fruits of research and resultant new products, therefore, our ability to compete should steadily improve. But the development of new steels can only be supported by profits or the hope of profits.

The financial resources supporting continuous research and resultant new products, as well as those supporting new equipment, are therefore vital in this competitive situation—vital not alone to the company and its employees, but to our international balance of payments, the value of our dollar, and to the strength and security of the Nation as well.

Mr. JAVITTS. One point is the allegation that the price increase is absolutely essential to allow the company to modernize and reequip and develop new sources of raw materials.

At the end of the statement, it is indicated that the avails are expected to be used in supporting continuous research. It states:

The financial resources supporting continuous research and resultant new products as well as those supporting new equipment are therefore vital in this competitive situation—

And so on. These are desirable objectives—we expect they would be achieved, however, without a price increase. They are in contemplation in the new tax bill now being considered by the Finance Committee. It is emphasized that great efforts are being made to cut the weight of the tax bill and do with it a great many tasks which heretofore have taken more steel in weight—and steel is sold by weight.

In short, the steel industry by this type of argument is likely to get in hot water with the people of the United States, who did not look for such a development, who thought confidently that a price increase has been forestalled.

It seems to me that, if the industry wishes to restore itself in the public's eye, it can do so by utilizing and making available through the price increase effective research and modernization which will bring down the price of steel to the consumer—which is the acid test.

It is my opinion that the industry will incur an adverse opinion and reception if it claims that the proceeds of the price increase and do it effectively and be in a position, in the very reasonably near term, to go forward with the research and modernization upon which, it is said, the company is spending money. It is true, in my opinion, that the industry is seeking for constructive economic purposes—whether it is to translate itself into the lesser real prices for steel which will bring down the price of steel to the consumer—which is the acid test.

I hope that we shall separate in our discussion of the views of the Senator from Tennessee [Mr. Gorga]. I think he instructs us in what to do, in a sense, and what not to do in this situation. He, too, deplore the price increase and feel that it represents a getting of the industry into "hot water" with the public, which is not a very good thing for American business generally.

Yet, I must say I cannot go along with a threat to business, to prosecute under the anti-trust laws, or through action by the Federal Trade Commission or by some other tribunal, under the antitrust law, or contained in the Senator's presentation. It seems to me, speaking now as a lawyer, if a business is guilty of a violation of the antitrust laws, of the Federal Trade Commission Act, or of the Clayton Act, that business should be prosecuted whether or not it suddenly puts out a price increase. I think it deprecates our argument and writes it down somewhat if we take the position. Well, since they have increased prices we are going to throw the book at them and go after them with respect to all the laws applicable to competition.

When the Senator suggests various alternatives which the country may have to adopt, if it faces serious problems of this character in respect to prices, that is another matter. It may differ with the Senator from Tennessee upon the particular ideas he presents. It so happens I like very much the idea of some consumer medium in the country, whether it is the United States Chamber of Consumers, or a Joint Committee of Consumers in the Congress. On the other hand, I may not agree with some other aspects of the possible legislative remedies.

Certainly every Senator is entitled within his rights, and I think proceeding quite constructively, whether it is the Senator from Tennessee upon the particular ideas he presents. It so happens I like very much the idea of some consumer medium in the country, whether it is the United States Chamber of Consumers, or a Joint Committee of Consumers in the Congress. On the other hand, I may not agree with some other aspects of the possible legislative remedies.

In summary, I deprecate and deplore the price increase. I think it is most unfortunate.

Second, I think the industry faces an acid test with the public. Indeed, I think this will have some reflection on the way in which the private economy and the private enterprise system operate generally. The Senator himself, with the company he represents, says the company undertakes a very material obligation to see that the increase is actually used for those purposes, which could translate themselves in lower real prices for steel. We will all be watching with the greatest of care how that eventuates. The steel company owes the public a full accounting on that score.

Third, and speaking now as a lawyer, I hope that we shall separate in our own minds any idea of "well, we are going to throw the book at them" in terms of all the involvements coming from the antitrust laws and other laws, from the possibility of the need in terms of legislation to effectively handle our economic processes in our country so as to keep abreast of a situation which might be caused in this way.

I think if we approach the problem in that way we shall be fair to the American people and to the American economy and, at the same time, we shall not be improvident in the remedies that we seek in a particularly serious situation.

TRIBUTE TO SENATOR DIRKSEN, OF ILLINOIS

Mr. AIKEN rose. Mr. RUSSELL. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I wish to say that I am making a presentation of a distinguished minority leader [Mr. DIRKSEN] for the splendid vote of support he received in the primary in the State of Illinois yesterday. It was certainly well merited. I know all of us are very much pleased by the overwhelming majority he received.

Mr. President, I ask unanimous consent to have printed in the Record an editorial which was published in the Chicago Sun-Times of April 7, 1962, entitled "Leader of the Local Opposition."

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

LEADER OF THE LOCAL OPPOSITION

Senator Everett McKinley Dirksen, of Illinois, the Republican leader in the Senate, distinguishes himself in the final hour of debate on the bill to provide loans to the United Nations.

He arose to the occasion as the leader of the local opposition in a matter that ought to transcend party differences and arguments. The United States could not afford Kennedy's desire to help bail out the U.N. with a $100 million loan or purchase of U.N. bonds. Some of his fellow Republicans and Democrats in the Senate thought the U.N. was not worth saving. Even among those that do there are some who are skeptical about allowing President Kennedy to use his own discretion whether to buy bonds or lend the money to the U.N., as the bill provides. Dirksen addressed himself to them.

"I haven't forfeited my faith in John F. Kennedy," he said, "but I'm willing always to trust my President."

The bill, a compromise worked out between Democrats and Republicans who agree in principle that the United States must advance money to the U.N., passed 70 to 23. It should do so well in the House.

The issue of the U.N. financing is not the only one that should be political and should be approached on a bipartisan basis. The fundamental principle of Mr. Kennedy's tariff-adjusting proposals to accommodate American business to the European Common Market and other overseas economic developments should be considered a nonpartisan matter. So should the general area of foreign aid. Senator Dirksen is asking Congress to trust him, personally, but the President of the United States in seeking for more leeway and power. The Senate, in regard to the U.N., as the President of the United States, speaking quite constructively, when he lays some consumer medium in the country, whether it is the United States Chamber of Consumers, or a Joint Committee of Consumers in the Congress. On the other hand, I may not agree with some other aspects of the possible legislative remedies.

Second, I think the industry faces an acid test with the public. Indeed, I think this will have some reflection on the way in which the private economy and the private enterprise system operate generally. The Senator himself, with the company he represents, says the company undertakes a very material obligation to see that the increase is actually used for those purposes, which could translate themselves in lower real prices for steel. We will all be watching with the greatest of care how that eventuates. The steel company owes the public a full accounting on that score.

Third, and speaking now as a lawyer, I hope that we shall separate in our own minds any idea of "well, we are going to throw the book at them" in terms of all the involvements coming from the antitrust laws and other laws, from the possibility of the need in terms of legislation to effectively handle our economic processes in our country so as to keep abreast of a situation which might be caused in this way.

I think if we approach the problem in that way we shall be fair to the American people and to the American economy and, at the same time, we shall not be improvident in the remedies that we seek in a particularly serious situation.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield to me. The purpose is to give Senator Dirksen the absence of a quorum, with the understanding that he will not lose his right to the floor.

Mr. RUSSELL. I am glad to yield to the majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.
The PRESIDING OFFICER (Mr. GUTENBERG in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. I ask that the order for the quorum call be rescinded.

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

AUTHORIZED FOR APPROPRIATIONS FOR ARMED SERVICES, 1963

The Senate resumed the consideration of the bill (H.R. 9751) to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for Armed Services, and for other purposes.

Mr. RUSSELL. Mr. President, I desire to direct the attention of the Senate to the pending legislative proposal (H.R. 9751), which is a bill authorizing appropriations for the procurement of aircraft, missiles, and naval vessels for the armed services in the amount of $12,969,300,000. This authorization is reported in compliance with a requirement of Public Law 86-149. In brief, this requirement is that appropriations for procurement of major weapons systems must be authorized anew after December 31, 1960. It is notable that the Constitution does not speak in terms of authorization. Instead, it speaks in terms of authorization. In the case of a law, for example, a law that contains within it a provision that "no money shall be drawn from the Treasury but in consequence of appropriations made by law."

The requirement that there must be an authorization act before there can be appropriations stems from the rules of the House and the Senate. If an appropriation for which there is no authorization is proposed and becomes law because it is passed by both houses, it is void and must be resubmitted to the President for his signature. The appropriation act is also based in part on the Constitution and the rules itself. It is notable that the so-called legislative committees consider authorizations and the Committees on Appropriations consider appropriations within the limits of the authorizations. Because of some somewhat broad authorizations of appropriations for the procurement of aircraft, missiles, and vessels that were granted in the 1940's, the Committees on Armed Services came to legislating away their major responsibilities in the shaping of defense legislation. While the Committees on Armed Services retained jurisdiction over manpower legislation, military pay measures, and military construction authorizations, only a very small part of what we have come to know as the defense budget is for a fiscal year came before these committees for legislative review. In the realization that a preponderant part of the defense program was the so-called major weapons, the Armed Services Committee proposed, and the Congress agreed, in 1959, that appropriations for procurement of major weapons should be subject to new authorizations. White I would not assert that the results under this procedure to date are earth shaking in their significance, I am convinced that this procedure affords a much broader basis of information and understanding in the Congress. Moreover, it affords the appropriate legislative committees an opportunity to express their judgment for the fulfillment of their responsibilities. This year the committee is proposing an expansion of this procedure that I shall discuss later in my remarks.

Not all the procurement proposed by the Armed Forces in 1963 is subject to annual authorization. The total procurement program of the Department of Defense for 1963 involves almost $16 billion. The difference between the new obligatory authority and the amount of authorization contained in this bill represents the procurement not subject to annual authorization. For example, a substantial part of the procurement account "Procurement, Navy" and "Procurement, Main Corps" is for items such as aircraft, ammunition, tanks, combat vehicles, and communications equipment. Similarly, the entire amount of the appropriation account "Other procurement, Navy" and "Other procurement, Air Force" are intended for items not requiring special authorization before appropriations are made.

Under a literal construction of the pertinent provision of law, the authorization bill now before the Senate contains amounts for items that could not be defined as aircraft, missiles, or naval vessels. Because of definition problems incurred in attempting to separate directly related items from aircraft, missiles, naval vessels, and to maintain some correlation between the Secretary of Defense's procurement plans and appropriations for such purposes the authorization includes amounts for such items as replenishment spares, modifications to aircraft already procured, procured and transferred equipment, and ground support equipment.

To facilitate meaningful comparisons for the purpose of making program decisions, the 1963 budget was developed under a new procedure within the Department of Defense. This procedure involved relating weapons and forces to missions or functions instead of to military departments or Armed Forces. The presentation contained in the Secretary of Defense's report to the committee was made on such a basis. Before identifying the weapons in this bill with the armed service that they will be used by, I shall first group them on a mission basis.

STRATEGIC RETALIATORY FORCES

The 1963 program contemplates continued procurement of the Atlas, Titan, and Minuteman missiles of the intercontinental ballistic type and Polaris missiles. Over 1,000 Atlas, Titan, and Minuteman missiles, which are the principal exception. The defense budget contains expenditures to first, reduce the vulnerability of our missiles to ballistic missile attack; second, to perfect an effective defense against ballistic missile attack; and, fourth, to provide reasonable fallout protection.
GENERAL-PURPOSE FORCES
We have heard of an increasing emphasis being placed upon our preparations to wage conventional wars. The pending bill provides more authorization for general-purpose forces than for any other category. In fact, if a one-sentence description could be applied to the 1963 program, I think it would be that previously announced strategic retaliatory forces and the construction of long-range ships and air bases, but a substantial addition is being made to our non-nuclear forces.

Requirements determinations in defense policy involves four general but especially so for general-purpose forces. This is true because of the diversity of the forces involved, the many contingencies in which they might be needed, the mill increase in the contributions of our allies, and the important role of the Reserve components.

The 1963 program involves 4 types of aircraft to improve the Army's mobility. The Air Force has delivered one C-130 transport plane for the Army's firepower, 37 new naval vessels, including a carrier, fighter, and antiaircraft vessels; $2,134,600,000 for the procurement of 887 new aircraft for the Navy and the Marine Corps. The aircraft to be procured include two types of fighters, three surface-to-air missiles, four amphibious transports, four amphibious assault ship, five escort ships, and three guided missile escort ships. A new submarine tender is proposed along with a combat support vessel, two oceanographic research ships, one survey ship, and one cargo ship for the MSTS.

Of equal importance, our ability to deploy and airlift our forces is being increased. The current Secretary of Defense has proposed a long-range plan to fill logistics objectives for general purpose forces of all the military services on a common basis. The major items of procurement have been subject to a careful review and it is proposed to attain established objectives more meaningfully. The term "requirements" is a somewhat nebulous one at best and it becomes more so when each of the military services computes its requirements on a different basis. Now that there has been established a common logistics objective for general purpose forces, I believe congressional consideration of steps to attain these requirements would be more meaningful.

The Army's aircraft procurement program involves purchase of the Iroquois, Bullpup, and Shrike for utilization by the Army. The Navy's missile procurement program involves purchase of the Iwojous, Chimook, and observation helicopters, and the Caribou type aircraft. These helicopters and aircraft will be used to transport troops and supplies rapidly to increase the Army's mobility within a combat zone.

The Navy share of the authorization in this bill is larger than that of the other military departments because of the large number of vessels in the authorization requirement.

The committee report gives details of the part of this authorization that is earmarked for each military service and the types of aircraft, missiles, and vessels for which this authorization would be needed. I shall summarize the procurement programs by department.

ARMY
The Army would be authorized $218.5 million for the procurement of aircraft and $853.3 million for the procurement of missiles. Authorization in the bill of $776.8 million is but a part of the Army's entire procurement program for fiscal year 1963 of $2,674 million. The difference between the two figures is made up of those items in the Army modernization program that do not require special authorization.

The Secretary of Defense indicated to the committee that there has been a lack of agreement among Army, Air Force, and Marine Corps elements of the Army's firepower. This imbalance extended to the inventory objectives for weapons and equipment. The Army and the Air Force, for instance, have had different assumptions regarding the length of a conflict. The procurement proposed in 1963 is part of a long-range plan to fill logistics objectives that have been established for the Army's general purpose forces. The general purpose forces of the Army will be able to support Operation Asian Hawk and Redeye, both of which are included in the program.

The Navy's aircraft procurement program includes purchase of the F-105D fighter bomber, Bullpup, and Shrike for utilization by the Navy. This increased capability should serve as a deterrent to nuclear war.

The committee report gives details of the part of this authorization that is earmarked for each military service and the types of aircraft, missiles, and vessels for which this authorization would be needed. The authorization of appropriations for naval vessels; $3,134,600,000 for the procurement of aircraft for the Navy and Marine Corps; $930,400,000 for the procurement of Navy missiles, and $22.3 million for the procurement of Marine Corps missiles.

The vessel authorization is intended to provide for the construction of 37 new ships and the conversion of 35 ships, in addition to the construction of 45 land-based missile firing facilities and the conversion of 6 Polaris-type submarines, four amphibious transports, one amphibious assault ship, five escort vessels, and three guided missile escort ships. A new submarine tender is proposed along with a combat support vessel, two oceanographic research ships, one survey ship, and one cargo ship for the MSTS.

AIR FORCE
The bill contains $3,626 million in authorization for aircraft procurement by the Air Force and $2,500 million for Air Force missile procurement. The total Air Force aircraft authorization is $491 million more than the request of the Department of Defense. This item relates to the B-70, which I shall explain later in this statement.

Excluding the B-70 for the moment, the total Air Force aircraft procurement program for 1963 involves $4,030 million. The Department proposes to offset against this some of the anticipated reimbursements under the mutual security program, other available appropriations, and the authorization granted last year only for the procurement of long-range manned aircraft for the Strategic Air Command. That was for the wing of B-52's authorized by Congress, of which the Department of Defense decided not to procure.

These setoffs reduce the amount of the new authorization requested to $3,135 million, to which the committee has added an amount for a single aircraft type that will be procured by the Air Force include several different configurations of the KC-135 jet tanker, the F-105D fighter bomber,
and the F-110, which is called the F-4H by the Navy.

I may interpolate that for years I have been urging the three services, when they use the same plane, to give it the same name or the same number; but to date I have not been successful. It is very confusing to me, when a particular plane is used by three branches of the services, as one particular plane is, to have a different name or number assigned by each of the services, although the planes are practically identical.

The case of South Dakota. Mr. President, will the Senator from Georgia yield?

Mr. CASE of South Dakota. I yield.

Mr. CASE of South Dakota. I have expressed the feeling of confusion as has the chairman of the committee, when we see the same type of plane bearing three different names, depending on which branch of the service is using it. I hope the chairman will persevere in his endeavor to have identical planes identically named.

Mr. RUSSELL. I had thought I had made clear upon the present Secretary of Defense concerning this subject when he was before the committee; but up to now, despite the fact that he indicated he was in agreement, no action has been taken.

The plane we are discussing is designated by the Air Force as the F-110, and by the Navy as the F-4H. It is an excellent fighter bomber. It is confusing to hear the Air Force speak about the F-110 and then to hear the Navy say, "No, it is not the F-110; it is the F-4H," when they are identical planes.

Other aircraft types that will be procured by the Air Force include the C-130P and the C-141 transport types, the T-38 trainer, two light aircraft types, and two helicopter types for servicing ICBM sites and remote areas.

The F-100 fighter missile authorization is for continued procurement of Atlas, Titan, and Minuteman intercontinental ballistic missiles, the Bullpup tactical air-to-surface missile, the Skybolt air-launched, tactical, and the Sidewinder air-to-air rocket.

Mr. President, I shall now speak briefly of the B-70. The Senate will recall that last year the authorization requested of the committee included an amount intended to be applied toward the development of the B-70 bomber. Since this item was in development, the committee felt that no additional funds could be requested because it was not required to be authorized. The amount was included in the authorization requested because of the manner in which the Air Force has handled the project. Since last year the Air Force has removed developmental items from the procurement authorization request and, under the limit of $320 million, no program that is being pursued, $171 million for this purpose is in the budget request under the caption of "Research, development, test, and evaluation.

The notion of the bill as it was referred to the committee contained an addition of $491 million in authorization for the production planning and long leadtime procurement of an RS-70 weapon system. This addition was a manifestation of the view that a more ambitious developmental and production program on the RS-70 than was planned would be made of the $171 million for development, which did not require authorization, plus $330 million more for production planning and long leadtime procurement.

Before the other body acted on the authorization, the Secretary of Defense announced that the Air Force would acquire the RS-70 weapon system at a total cost of $491 million. The language which had been contained in the bill directing the Secretary of the Air Force to use the additional authorization for the RS-70 was modified; but the additional aircraft authorization of $491 million was left in the bill.

The Senate committee has changed the authorizing language, so as to ensure that the availability of this $491 million authorization is restricted to the RS-70 program. A purist might insist that only $320 million in additional authorization should be provided, since $171 million of the $491 million does not require authorization.

At this time no one can predict what recommendations will emerge on the new RS-70 project. In the early stages of development and the early stages of production on advanced weapons systems are difficult to delineate sharply, the $491 million authorization figure unchanged, so as to provide the Committees on Appropriations and the Department of Defense with sufficient latitude to accommodate any accelerated development or both, that may be found useful as a result of the new study.

In the past the Senate has supported appropriations for the B-70 above the level recommended by the executive branch of the Government. I have supported a more rapid development of this system for several reasons, including a deep-seated apprehension over the adequacy of a manned bomber after the B-52 and the B-58. The RS-70 concept, however, is justified on somewhat different grounds from the B-70. The B-70 involves not only the development of a new ballistic missile of the air-to-surface type, but, of more importance, the development of new radar display and communications systems. The Secretary of Defense and his scientific advisers believe that some of these subsystems may require such advanced technology that they cannot be attained within the time objective. In any event, the Secretary has asserted that the new look at this system will be made in depth and in good faith. If the study results in a decision to expedite the RS-70 program, this bill provides the basis on which the Committees on Appropriations might consider the necessary funding.

Mr. CASE of South Dakota. Mr. President, will the chairman of the committee yield?

The PRESIDENT OF THE UNITED STATES. Mr. President, that is the purpose of the change. Of course, all of us are familiar, through reading the press, with some of the history of the authorization, the Senate committee having changed the authorization. The language the Senator from South Dakota has read—the word "authorized" read "directed"; and the last minute change, when the word "directed" was stricken out, and the word "authorized" was substituted, left the picture somewhat confused.

So the Senate committee handled this matter in exactly the same way it handled the wing of B-52's that it authorized last year above the request of the Appropriations Committee. Last year we provided a total figure, and the language "of which $535 million may be used only for the procurement of long-range manned aircraft." This year we provide that this $491 million authorization, $320 million of which is above the estimate of the Department, can be used only on the RS-70 program. Of course, for the reason that is very evident; if we did not tie it down in that way, Congress would lose authorization control of that vast sum of money, and the Department could propose to apply it for other purposes.

Mr. CASE of South Dakota. And is it the opinion of the chairman of the committee that the language proposed in the Senate committee version protects this $491 million authorization against any executive reprogramming?

Mr. RUSSELL. Yes, it does; it cannot be utilized for any purpose other than that set forth in the language the Senator from South Dakota has read—which is for production planning and long leadtime procurement of an RS-70 weapon system.
Mr. CASE of South Dakota. From the remarks previously made by the chairman of the committee and from the report of the committee on the bill, I knew the intent was clear. But I have made these queries largely for the purpose of emphasizing the reasonableness of the Air Force and the Department of Defense in abandoning the B-70 concept, in favor of the RS-70, which is a reconnaissance plane.

Mr. CASE of South Dakota. I think the change in the language is a good one. It preserves the purview string powers of Congress, and preserves the option of the Defense Department in its planning to go ahead with the RS-70 weapon system, and it assures that the Air Force has used many times, and the option of the Defense Department in its planning to go ahead with the RS-70 weapon system, and it assures that the original B-70 weapon system or its being taken for some other, lesser or unintended purpose.

Mr. RUSSELL. Well, all parties concerned—the Air Force and the Department of Defense—have abandoned the B-70 concept, in favor of the RS-70, which is a reconnaissance plane.

Mr. CASE of South Dakota. I wish to say that I approve most heartily the bill as reported to the Senate from the Appropriations Committee.

Mr. SYMINGTON. Mr. RUSSELL, I am glad to yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. Last year the Armed Services Committee under his leadership considered this bill. The Senate has since been verified by the fact that in the last fiscal year, the Senate has been unanimous in the belief that in the last year they asked us to lift the restriction, the appropriations for research and development should allay any concern that the procurement is left largely unsettled.

Mr. RUSSELL. Yes. They objected very strenuously, and to get any authorization at all, the Senate deserves that encomium.

Mr. SYMINGTON. That is correct.

Mr. SYMINGTON. Would not the Chairman agree that the logic of the position that we have taken, and that of the Senate and the Republican members of the Appropriations Committee, is that we be authorized for research, development, test, and evaluation of aircraft, missiles, and naval vessels, at least as much as this year?

Mr. RUSSELL. Yes. They objected very strenuously, and to get any authorization at all, the Senate deserves that encomium. In the Senate, the Senate has been unanimous in the belief that in the last year they asked us to lift the restriction, the appropriations for research and development should allay any concern that the procurement is left largely unsettled.

Mr. SYMINGTON. I mean it. It is not true that today research and development and production are tied so closely together that it is difficult to regulate the one to regulate the other:

Mr. RUSSELL. In some cases it is well nigh impossible to determine where development ends and production begins. Production is a part of development. We cannot have detailed specifications for development that we are committed to development in this particular field in which they are in production.

Mr. SYMINGTON. But the other has objected it did not want that provision in the bill. In that connection?

Mr. RUSSELL. Yes. They objected very strenuously, and to get any authorization at all, the Senate deserves that encomium. In the Senate, the Senate has been unanimous in the belief that in the last year they asked us to lift the restriction, the appropriations for research and development should allay any concern that the procurement is left largely unsettled.

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Mr. RUSSELL. In some cases it is well nigh impossible to determine where development ends and production begins. Production is a part of development. We cannot have detailed specifications for development that we are committed to development in this particular field in which they are in production. Not only that, we spend so much money on development that we are committed and our power to authorize procurement is meaningless. So much money has been invested that the committee really has no option other than to authorize the procurement.

Mr. SYMINGTON. Whereas in the past production might run to hundreds of a complete unit a month, today there is no such production, primarily because of technological aspects that have revolutionized the armament business.

Mr. RUSSELL. There has never been anything more revolutionary in my lifetime than the change in the weaponry systems of the past year.
characteristic of all research, development and production of airplanes or missiles, just as it would be in the case of bases?

Mr. RUSSELL. I agree completely.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a comment on what the Senator from Missouri has just said?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. The other day a general of the Army testified on research and development. He said they kept it in that stage, as I recall his testimony, until they are ready to go into production on a large scale. In other words, the big expense, as the chairman of the committee has pointed out, now is in research and development, and they do not move into a production basis until they are ready to go on full-scale production.

Mr. SMYRT. If the Senator will allow me, my objection is no full-scale production as we understood it in the past. Often, after we decide on a unit to be made, relatively few are made. In the case of the R-50, it is my understanding that the Navy now is asking for some 45 production units.

Mr. SALTONSTALL. That is correct.

Mr. CASE of South Dakota. Mr. President, do you approve of the Senator's statement?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. When we get in to the manner of construction of bases, however, the matter of change orders is a very important aspect of last. What has bothered me somewhat is that I have had the feeling that contractors who bid on bases bid on them on the assumption that there would be change orders which would bail them out and give them profits, even if the original bid was a little close or thin so far as expected profits were concerned.

I mention this because it seems to me the Procurement Division and the construction agencies—whether it be the Corps of Engineers or other procurement agencies for the Department of Defense—should be given authority to write contracts as firmly as possible in the first instance. Change orders should be approved only when it is clearly in the interest of the Government. There should be protection against excessive change orders, because once a contractor has the base contract the change orders often afford him an opportunity to make exorbitant profits.

Mr. RUSSELL. Mr. President, I could not agree more with the distinguished Senator, but the base construction people are only now getting into a field which we have utilized by other contractors for the Government for a century or more. In regard to Navy procurement, on bidding on naval vessels, and in regard to the Maritime Administration, in the military vessels, it has been brulted about that sometimes contractors bid really below the actual cost on the original design, with a certain knowledge that there will be so many change orders or modifications of the original plans that they will be able to make themselves whole and, in addition, to earn a nice profit. Of course, the organization and the original contract is about the only group with whom the Department can deal for the change orders or the modifications.

That is a practice which any person who has had connection with contracts with the Government has seen over the years. I think that at the present time the present Secretary of Defense is paying very close attention to the problem. I am hopeful he will be able to reach the contractors who may be submitting unreasonable charges for changes and modifications set up.

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

Mr. RUSSELL. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. Perhaps the most basic duty of any Member of the Senate today is to make certain that our country is secure. That means, of course, that we must exercise wisdom in voting on the defense proposals. Because of the complex nature of the systems we keep developing today, we who are not members of the committee find it very difficult to know as much as we ought to know about the subject.

Mr. RUSSELL. I can assure the Senator that the difficulty is one which is common also for members of the committee. It is difficult for members of the committee to keep up with the many changes in our weapons systems.

Mr. COOPER. I wish to refer briefly to a question which has been covered in the newspapers very much lately. It has been raised in the minds of other Members of the Senate. I remember that last year the Senator from Wisconsin spoke on the question at great length.

I am referring to the admonition of the Department of Defense, which I assume is a decision, that there should be no development at this time of other bombers.

Mr. RUSSELL. Of manned bombers.

Mr. COOPER. Manned bombers.

Mr. RUSSELL. Yes.

Mr. COOPER. I notice that it is stated in the report that a partner manned aircraft will be procured. As I understand the proposal, the authorization of $491 million is intended for research and development, test and evaluation of aircraft, missiles, and naval vessels.

Mr. RUSSELL. No, not the $491 million. The $491 million is limited to the development of R-50-70 aircraft.

Mr. COOPER. Yes. I wish to ask the distinguished Senator, who is the chairman of the committee, for whom we all have great respect, a question which has been raised all over the country. People ask about the authorizations for the Department. I have authorized and have appropriated in the report that no manned air-

Mr. RUSSELL. Mr. President, I do not know that I can express the views of every member of the committee. I know what my own view is, and I think I am safe in saying it is shared by a majority of the committee. It is that we would have felt much better about our defense situation if the Department of Defense had procured the last wing of B-52's which we authorized last year. I personally feel that was a mistake. These matters change so rapidly that it is all a question of judgment of individuals. My judgment could well be wholly erroneous.

It has always been my view that if I make any error in the development of a defense system I want it to be on the side of having too much rather than of being caught with too little. For that reason I have always been critical of the procurement of that wing of B-52's which we authorized last year over and above the request. I still feel that was a mistake.

Mr. COOPER. I find myself in the same position. I do not know as much as members of the committee know, yet I feel I am charged, along with other Senators, with doing what ought to be done to protect the country and not being on the short side. Therefore, I am asking these questions.

Mr. RUSSELL. Both the Committee on Armed Services of the Senate and the Senator from Kentucky agreed on the opinion, I think the decision was unanimous, that we should proceed to procure another wing of long-range manned bombers. That it would be a mistake to close the assembly line, as it will be closed, in October.

Only time can show who is correct. I hope those who have such confidence in the military bases and the missiles particularly the Polaris solid propellant missiles, would be the greatest determiners, even if we are the War Department, however, decided otherwise.

The Department did go along with us with respect to our increases for the Polaris submarines. For several years we have authorized the procurement of more Polaris submarines than the Department requested, but the Department has not had any opportunity to acquire these submarines because of the cutoff. It has not been put into the production line; we were able to cut down production of manned bombers and to bring about a situation that will force us to rely upon missiles in a comparatively few years.

My own view was that we should not take the risk; but it has been done. There is nothing I can do about it. My committee authorized the procurement. I supported the appropriation for it. It is part of an opinion as to where it was in the bill which was signed. However, the money was not expended.

Mr. COOPER. Does the Senator believe that the development of missiles has reached such a stage that there is reasonable safety in believing the missiles will be produced so that we can be safe without provision for more manned bombers?

Mr. RUSSELL. There have been some phenomenal developments in the accuracy and precision of some of the missiles. Particularly the Polaris solid propellant missiles.
For my part, I was not willing to risk the security of this nation and the freedom of our people altogether on missiles, since I have seen so many failures in the efforts to fire the missiles. We do not have many failures in getting bombers off the ground, yet we have seen a great many failures in firing missiles.

Of course, in good time we shall perfect the missiles. I am quite sure. I did not wish to have any interregnum whatever of a kind that would be capable of delivering the atomic and hydrogen warheads and the perfection of the missiles.

Mr. COOPER. I assume, then, the reason for not including funds in the bill for further procurement of manned bombers is based upon the fact that there is a belief the funds would not be utilized?

Mr. RUSSELL. It is based upon the fact that we were told definitely and clearly the funds would not be utilized. In any case, the Senate committee, a man whom we all respect, who has great knowledge of the subject, holds the same opinion today that he held 2 years ago.

Mr. RUSSELL. Last year.

Mr. COOPER. Yes, last year—that manned bombers should be procured to provide, as the Senate sees it, for the best security of our country.

Mr. RUSSELL. Yes, indeed. That is my conclusion. But, as I stated, my errors have been on the side of seeking too much. I hope that the errors other members of the committee will not be on the side of seeking too little. It is a matter of opinion or judgment.

Mr. COOPER. I know it is a matter of opinion. It is referred to the difficulty which those of us have who are not members of the committee and who therefore cannot have the information possessed by members of the committee. Each of us is in constant disagreement with what he thinks is best, and, right, to secure our country. And yet we do not have the necessary information. We cannot obtain it except as we talk to members of the committee. On such occasions as the present one, when a bill is being considered, we are placed in a difficult position. The lack of information about which I have spoken makes it hard for each of us to express his views and, demonstrate, by his action, his determination to assure the complete safety of the country, as far as it is possible to do so.

Mr. RUSSELL. I again reassure the Senator to the extent that a majority of the Joint Chiefs of Staff are of the opinion that manned bombers are completely adequate to assure the security of our country and to prevent any act of aggression against it.

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

Mr. RUSSELL. I am happy to yield to the Senator from Missouri.

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

Mr. RUSSELL. I associate myself, without any reservation, with the remarks of the distinguished Senator from Oregon. I hope to speak at greater length with respect to which we have now reached conclusions as a result of months of study of the atmosphere at that time. Therefore, I urge the able chairman of the Senate on Armed Services. It is clear that such considerations as yield-to-weight ratio in the low categories of explosion—say a kiloton or a half kiloton. I would hope we could have hearings in the Committee on Armed Services. It is clear that such considerations as yield-to-weight ratio in the low categories of weapon are now vital as we plan our defenses against a possible enemy.

I notice in the Chamber my friend, the able senior Senator from Minnesota [Mr. HUMPHREY], chairman of the Senate Subcommittee on Arms Control and Disarmament of the Foreign Relations Committee. I hope that he will consider this and yield-to-weight ratio in the low categories of weapon are now vital as we plan our defenses against a possible enemy.
lieve all of us know that we have walked that extra mile in terms of negotiations, and that we have done this in good faith. We have done it even within the last 48 hours. The President of the United States and the Prime Minister of Great Britain have again offered to the Soviet Union an opportunity for negotiations. The Soviets have rejected this offer.

Therefore, I concur with what the Senator from Georgia has said on the matter of arriving at a decision and proceeding on the basis of that decision.

I believe that it would be desirable in all of these matters relating to our national security where arms are involved—and they are as a very important factor in national security—if the Armed Services Committee could undertake its own inquiry into that subject. I recognize, of course, that when we speak of nuclear policy, or national policy, a matter which is of great importance. However, there is also the matter of weaponry. To date most of the hearings have been in the Joint Committee on Atomic Energy, because atomic energy is involved in this matter. However, it is involved also in the jurisdiction of the Armed Services Committee, in that of the total balance of the military structure.

We want these matters considered in the Foreign Relations Committee, because of the diplomatic considerations that are involved.

I regret that the subcommittee which once considered this matter, and had on it members of the Armed Services Committee and members of the Joint Committee on Atomic Energy and also members of the Foreign Relations Committee, has been discontinued. It was a special subcommittee that looked into the subhead of nuclear testing, which involves more than foreign policy, and is also a military matter and an economic matter. Surely it is also a scientific matter. I am sorry that that subcommittee could not continue to function. We lost our congressional authorization for it. As a result, the Armed Services Committee does not have a voice in the discussions of the subcommittee of the Joint Committee on Atomic Energy and except as it goes into this matter separately.

The Foreign Relations Committee, because of the manner in which it operates, cannot always give fullest consideration to the military aspects of this subject.

Therefore I wish to say to the Senator from Georgia that his suggestion is welcomed by me. First of all, the Senator from Missouri is a member of both the Armed Services Committee and the Foreign Relations Committee. That is a very happy circumstance.

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

Mr. RUSSELL. I yield.

Mr. SYMINGTON. I congratulate the able assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY], for his firm statement and I admire his position in the matter. It is true that when he was chairman of the Joint Arms Control Disarmament Committee, on which I had the honor of representation, the Preparedness Subcommittee, we had what might be called both sides consistently presented to us, and the record of the 1958 hearings are pertinent to that end.

Without interrupting any further the typically able presentation of the budget by the chairman of the committee, I express my appreciation to the Senator from Minnesota, and I hope the Senator from Georgia will give consideration to this suggestion. The decisions, which of course will be much molded by public opinion, should be based on public knowledge and truth that will not help a possible enemy.

Mr. RUSSELL. I have discussed this matter with the distinguished Senator from Missouri and with the distinguished Senator from Georgia who is chairman of the Preparedness Subcommittee. We have a great deal of work to do in our committee. I doubt whether my subcommittee would be able to conduct these hearings. However, I am sure that some hearings will be held in that area. Of course we have not been entirely without knowledge of the nature atomic energy. The committee does have the Atomic Energy Commission and the Atomic Energy, because atomic energy is involved in this matter. However, it is involved also in the jurisdiction of the Armed Services Committee in general of the total balance of the military structure.

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Mr. SYMINGTON. Mr. President, will the Senator yield?
at least in part controlled by a man who, when the Soviets treacherously renewed their nuclear testing in the air, last fall, stated that underground testing was much more damaging to the future of the human race than atmospheric testing. He defended without reservation the stand of the Soviet Communists on this subject.

I hope the facts, figures, and thoughts presented to the Senate today by the assistant majority leader and the distinguished Foreign Relations Committee on Armed Services will be given full consideration when the Senate is called upon to decide, in the not too distant future, whether we should grant some half a billion dollars of aid and loans to a country which opposes us in that manner and has opposed us so consistently on so many matters over the years.

Although Mr. Nehru is constantly portraying himself as a man of peace, and at times has stated that if necessary, India will remain the last large undeveloped power in the world, the fact is that India has one of the large armies of the world, and also an air force more than three times larger than any other air force in that part of the globe.

Mr. SYMINGTON. I did not know that, and thank the Senator from Georgia for putting this matter before the Committee on Armed Services.

Mr. RUSSELL. I shall not discuss the subject in detail now; but the neutralists who consider our foreign aid program so important, as it is, and those who wish to see the United States support, and buy heavy military units from Soviet Russia. Note that this goes on at the same time Mr. Nehru is saying he will not accept any military aid from us because he is a man of peace. So we continue to finance his great army indirectly, most of which faces, in belligerent fashion, one of the greatest friends this Nation has, Pakistan.

Mr. HICKENLOOPER. I do not present the Ambassador from Chile in face of the Chamber.

Mr. HICKENLOOPER. Mr. President, the Senate is honored today by the presence in the Chamber of a delegation from the Congress of Chile through I have badgered both the senior Senator from Georgia and some of the members of his committee about this bill for the last year or two. The bill contains nothing which relates to the subject of Government rights with respect to the development of new inventions, patent rights, and proprietary rights. I have felt for some time that one of the worst things in Government is the enormous expenditure of Government funds for research and development, sums running to about $12 billion a year, under terms and conditions which permit contractors to have private patent rights on this vast amount of Government research.

Mr. RUSSELL. Mr. President, I have listened with great interest to the discussions by the junior Senator from Louisiana in this field. I have not given the subject the attention and study which he has given to it, but I have looked into it to a certain degree, and I must say that I have found it to be one of the most complicated, complex subjects we have ever examined.

The same rule does not apply to all contracts or to all patents. It is a subject as to which I have not, up to now, felt qualified to initiate legislation. However, I have discussed with some officials in the Department of Defense. I shall be glad to urge them to intensify any study which they may be making in order that we may have the benefit of their experience in drafting of opposed legislation.
Mr. LONG of Louisiana. Mr. President, if the Senator from Georgia will yield further—

The PRESIDENT (Mr. FELL in the chair) asks the Senator from Georgia to yield the floor to the Senator from Louisiana?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. I doubt that we are going to gain the cooperation of the Department of Defense. Those who are there seem to believe that a considerable portion of their pleasure in remaining there is related to the function of the new Department of Defense, which maintains this situation—on which they have consistently sought to maintain.

Mr. RUSSELL. I think the Senator from Louisiana is somewhat in error in that connection. There is a new interest in the matter—one which I have not heretofore observed in the Department of Defense. I think there was a time when those who served there apparently were interested in the matter; but I think there is now some interest in it there.

Mr. LONG of Louisiana. The General Accounting Office arrived at an inexplicable conclusion in that connection that there is a strong incentive for one contractor to withhold from other contractors the information he obtains in the course of fulfilling his Government contract—on the theory that if he permitted the information he thus obtained to be had by other contractors, that might result in denying him the opportunity to have a virtual monopoly to such patent or other information. When that happens, the effect is to bar to many thousands of scientists and engineers an opportunity to advance to the next frontier of knowledge, although we may already have found an answer to a technical problem which constitutes a roadblock in that field. They have stated that a person must virtually reinvent the wheel. It is frequently cheaper to ascertain—at Government expense—what already is known. Of course, that procedure involves great additional expense for re-search. Various governmental agencies have made that statement, and I have not heard the Department of Defense deny it.

Mr. RUSSELL. Has the Senator from Louisiana had the Secretary of Defense appear before his committee?

Mr. LONG of Louisiana. No, although I would have been glad to have him appear there. But my Monopoly Subcommittee of the Small Business Committee deals with only a small subdivision of that subject.

Mr. RUSSELL. I am surprised that the Secretary of Defense has not appeared before the Senator's committee, because it seems to me that he has testified before almost every committee on Congress.

In the newspapers we read that he appears before a very great many of the congressional committees.

Mr. LONG of Louisiana. He has been invited to appear before our committee, but he has not appeared there. I must say that I have found it extremely difficult to get Cabinet officers to appear before my Monopoly Subcommittee insofar as this subject matter is concerned.

But members of our committees before which the Secretary of Defense and similar officials have appeared have agreed with the view that it is very difficult for the work to proceed under these conditions, particularly when the development is done at Government expense.

I can understand the situation when the work is done at private expense; but it seems to me that this is one of the most important matters which can be determined only by the Secretary, and the Senator from Georgia would feel compelled to oppose an amendment to bring this problem to the attention of the Department of Defense. I have prepared such an amendment, which provides:

No funds authorized to be appropriated hereafter shall be expended pursuant to the authority of this act for research or development, unless those contracts contain provisions to assure that all patents and proprietary rights to information developed under the terms of those contracts within circumstances where the Government will have the contract, under those contracts, for all or nearly all of the cost of developing such inventions, shall be property of the United States.

I drafted this amendment in order to recognize the fact that after a contractor under a previous contract has done much research, there would likely be a problem if we were to provide that we are going to try to protect the interest of the Government from research done under such a prior contract. But when such work is done entirely under future contracts, it seems to me that the right to the inventions should belong to the Government. Furthermore, when the Government pays, under contracts signed hereafter, for all or nearly all the research, it seems to me that this amendment would protect the Government's interest.

I hope very much the Senator from Georgia will not object to Senate consideration of this proposal, because the President's Committee is undertaking consideration at the present time.

Mr. RUSSELL. Is not that a very good reason why I should not accept the amendment—not until the President comes to some conclusion in regard to it?

Mr. LONG of Louisiana. But the President is, I am sure, in considering this matter, somewhat impressed by the fact that this has been largely in the House, is advocating exactly the opposite of what the Senate has voted when it has repeatedly been confronted with the same problem. The Senate has accepted, without objection, amendments to assure that such research work would be subject to the Government's rights, and that the Government would have the proprietary rights if the Government had paid for the research. Therefore I have offered amendments to assure the same results. On the other hand, the House, with the leadership of Representative Darreao, is there determined to try to persuade the taking of just the opposite position. This matter has been resolved in both ways in the House, whereas in the Senate the answer has consistently been the same.

I hope the Senator from Louisiana will not object to Senate amendment to conference, and there will test the position of the House, or that at least he will not object to having debate and a vote on this amendment.

Mr. RUSSELL. Mr. President, I believe that in times past I have supported the Senator from Louisiana in connection with amendments of similar intent.

Our committee has tried very hard and most diligently on the bill, and we entertain high hopes that the bill as passed by the Senate will be accepted by the House, without requiring a conference. So I hesitate to accept the amendment of the Senator from Louisiana.

However, I shall be glad to present the amendment to the Secretary of Defense and to obtain his views in regard to it. In that way we can get the response of the Secretary of Defense; and then I can give it to the Senator from Louisiana.

But I hope the Senator from Louisiana will not offer his amendment to this bill, because we have boiled it down to the point where I have high hopes that it will not be necessary to have a conference with the House.

Mr. LONG of Louisiana. Mr. President, if the Senator from Georgia obtains that information from the Secretary of Defense, I wonder whether the Senator will also be so kind as to make such inquiries of other governmental departments and agencies, such as the Department of Agriculture, the Federal Aviation Authority, and various other agencies which do not agree with the attitude of the Department of Defense in its position about this matter.

Mr. RUSSELL. If the Senator from Louisiana will introduce such a bill, I shall be glad to appoint a subcommittee to consider the bill, and to obtain information from the Department of Defense. I think, in the opinion of the subcommittee, might be able to cast any light on the matter. But I doubt whether the full Armed Services Committee would have time to go through with such hearings and, in the course of the hearings, obtain testimony from all persons who are concerned with this matter at this time. However, I shall be glad to have the Senator from Louisiana introduce such a bill, and then to appoint a subcommittee to hold hearings on it.

But I hope the Senator from Louisiana will not object to Senate consideration of this proposal, because the President's Committee can be considered. Hearings on those appropriations are already underway; and if this bill becomes tied up, that situation might delay the approval of those appropriations, which apply to the period beyond the end of the present fiscal year.

Mr. LONG of Louisiana. Mr. President, I am sure the chairman of the committee knows of my great personal regard for him, and of the great responsibility and completely able Member of this body.
Mr. RUSSELL. Mr. President, I am greatly flattered by what the Senator from Louisiana has said.

Mr. LONG of Louisiana. I do not care to increase the Senator's burdens. He has already, either to a considerable degree of me in connection with all matters. Yet it does seem to me that this matter should be permitted to reach a vote in the Senate.

Mr. RUSSELL. It seems to me we have not had a vote on it in the Senate. Have we not voted on it here once or twice?

Mr. LONG of Louisiana. The Senate has, more or less by unanimous consent, accepted an amendment to apply to other departments of the Government. The Department of Defense is the agency which spends most of the money, and that is where the big problem arises.

I do not want to present the amendment under such circumstances that the Senator from Georgia will feel compelled to oppose the amendment, if there is some possibility of receiving support for the amendment or offering it on some other occasion.

Mr. RUSSELL. I frankly think that this is a sufficiently important to have committee hearings on it. That is my own view of it. Perhaps the Subcommittee on Antitrust and Monopoly of the Judiciary Committee might be the place to consider it.

Mr. LONG of Louisiana. Hearings have been held by the Subcommittee on Patents of the Judiciary Committee. No action has been taken on the amendment, if that is the case. There will be hearings held on the subject by the Subcommittee on Monopoly of the Small Business Committee. The Senator knows we have no legislative authority in that committee.

The only way the junior Senator from Louisiana sees to bring this matter to a vote in the Senate is by offering an amendment on the floor. Unless the chairman of the committee in charge of this legislation is willing to have it brought before the committee and voted on in committee, I shall feel compelled to offer the amendment on the floor. I hope the Senator understands that I shall be opposed to a vote in the Senate.

Mr. RUSSELL. I will assure the Senator from Louisiana that I will get the views of the present Secretary of Defense on the issue raised by the amendment. Frankly, it seems to me that legislation in that area would not be in the best interest of the Senate if the amendment was not heard in the Senate.

Mr. LONG of Louisiana. The opinion of the Department of Defense is a matter of record before a number of subcommittees, including the Armed Services Committee, on one of the subcommittees of which I had the honor of acting as chairman. The department is against the amendment; there is no doubt about that.

Mr. RUSSELL. That may well be, but I assume the question was raised in the Senate. It was not raised in the Armed Services Committee, and the amendment was not submitted to the committee in time for us to have a hearing on it. While I have great respect for the views of the Senator from Tennessee, it seems to me our committee was entitled to have some hearings on the subject, and not to have this amendment brought up in a shotgun manner on the floor of the Senate. I suppose the Committee on Aeronautical and Space Sciences and the Committee on Agriculture and Forestry discussed the matter in the subcommittees, but they had no opportunity to discuss it. This is the first time it has been brought up.

Mr. KEFAUVER. I think the Senator is in order in that regard.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. I respect the right of others to disagree with me.

Mr. RUSSELL. I am not necessarily disagreeing with the Senator from Louisiana.

Mr. LONG of Louisiana. I know that.

Mr. RUSSELL. But no man's opinion is any better than his information. My information on this subject is rather limited. I have not had the opportunity of the Senator from Louisiana and the Senator from Tennessee to have hearings on it. I heard the Senator from Louisiana discuss it in connection with a bill which I had, and to which he offered the amendment, and I think it is the limit of my information on the subject.

Mr. LONG of Louisiana. Not only on the bill, but in the cloakroom and everywhere, the Senator from Louisiana has been waging something of a campaign to bring about an end to what he regards as a great abuse involving the issuance of private patents as a result of public expense on research and development.

Mr. RUSSELL. I might say that I approve of the Senator's objective. From what I do know about it, it seems entirely reasonable and logical to me; however, many things seem to be entirely reasonable and logical at first blush, but when we get into them further and there are some arguments on the other side.

In addition, I do not wish to have the amendment to take the amendment to conference.

Mr. LONG of Louisiana. I understand the Senator's position. I know that the Senator wishes to have the Senator make it clear that he understands my position, if he does.

My feeling about the matter is that if the Senator from Georgia felt as strongly about it as does the Senator from Louisiana, he would be seeking every method available to him to bring an end to what he believed to be a wrong practice.
Under those circumstances, if the Senator felt as strongly as I do about the matter, he would be seeking to get action of the Judiciary Committee, if he had not already got action of the Appropriations Committee. The Senator could probably seek action of the Armed Services Committee; if he could not get action out of the Armed Services Committee, he might approach the Foreign Relations Committee; if not from that committee, from the Committee on Commerce; if not from that committee, from the subcommittee on Interior and Insular Affairs.

Mr. RUSSELL. This is an authorization bill. I heard the Senator's amendment read out once, but if it is not in the form of a limitation, it could be made a limitation. The Senator could offer it to the appropriation bill which would fulfill the authorization. However, if it is attached to this bill, it could delay the bill and could cause real problems.

The Senator can offer the amendment to the appropriation bill. I would suggest that the Senator go before the Appropriations Subcommittee and tell the subcommittee members his reasons, rather than catching them unaware on the floor of the Senate. The subcommittee is conducting hearings at the present time, under the distinguished Senator from Virginia (Mr. ROBERTSON).

Mr. LONG of Louisiana. Mr. President, I appreciate the Senator's assurance with respect to the Subcommittee on Armed Services of the Committee on Appropriations, the chairman of which is not a member of this subcommittee. The subcommittee is conducting hearings at the present time. If the Senator will permit me to rely on the assurance he has given on the floor with respect to the Committee on Armed Services, I shall withhold offering the amendment.

Mr. RUSSELL. I am willing to send the amendment to the Secretary of Defense and get a full statement of the views of the Secretary of Defense, and I think we could proceed more intelligently if we had that much.

Mr. BUSH and Mr. PROXMIRE advocated sending the amendment to the Secretary.

Mr. RUSSELL. I yield first to the Senator from Connecticut.

Mr. BUSH. I thank the Senator from Georgia. I shall be very brief.

The Senator made some very complimentary remarks in regard to Mr. McNamara, the Secretary of Defense. I would not wish to see the RECORD closed this afternoon without a word from this side of the aisle in support of what I think he has done. He is still an able man.

Mr. PROXMIRE. That is the point I wished to cover. I checked with the Parliamentarian, who referred me to the legislative counsel of the committee. The appearance of this appropriation certainly as to whether the funds would be restricted to aircraft alone, or whether there would be a carte blanche opportunity for the Defense Department to spend $525 million for missiles, and naval vessels as well as aircraft. What makes it particularly confusing is that, perhaps by misadventure, the House language, page 2, line 11, which is erased in the bill, has the same provision under "Naval vessels." I have the impression that the money could be used by Defense for almost anything.

Mr. RUSSELL. That is one reason we rewrote the bill. The language was in the wrong place, under "Naval vessels.") We put it where it belongs, under "Aircraft."

That amount was deducted from the total amount for procurement of aircraft, when the Department submitted the budget relying on obtaining the $525 million carryover from the fiscal year only for the procurement of aircraft, and naval vessels as well as aircraft.

Mr. PROXMIRE. I see.

Mr. RUSSELL. It is all we are used for the funding of aircraft, though.

Mr. PROXMIRE. We have established that, then.

The only difference in the committee report to this section of the bill is on page 4, where there is a paragraph which deals with "Eliminating Restrictions on Previous Authorization." The language simply eliminates the restriction and does not go on to specify any restriction.

The chairman has, I think, now made legislative history indicating that use of these funds would be restricted to aircraft.

Mr. RUSSELL. During the course of my statement I said:

Excluding the B-70 for the moment, the total initial Air Force aircraft procurement program for 1963 involves $4,059 million. Department of Defense against some of the anticipated reimbursements under the mutual security program, other substantial appropriations, and the authorization granted last year only for the procurement of long-range manned aircraft for the Strategic Air Command.

Mr. PROXMIRE. It eliminates that restriction?

Mr. RUSSELL. It does. It makes those funds available for the procurement of other aircraft.

Mr. PROXMIRE. That is my second point.

Mr. RUSSELL. The $525 million was added to the bill in an amount over and above what the Department requested last year. There was a difference of opinion as to whether the United States should continue to procure manned long-range bombers.

Mr. PROXMIRE. I understand.

Mr. RUSSELL. Congress said that the $525 million was available only for that purpose. In order to keep the books of the Department in better balance, and to eliminate that restriction, since it was manifest the Department was not going to spend money for the B-52's, we eliminated the language to permit the funds to be expended for any other aircraft.

Mr. PROXMIRE. That is the point I wished to cover. I checked with the Parliamentarian, who referred me to the legislative counsel of the committee. The appearance of this appropriation certainly as to whether the funds would be restricted to aircraft alone, or whether there would be a carte blanche opportunity for the Defense Department to spend $525 million for missiles, and naval vessels as well as aircraft. What makes it particularly confusing is that, perhaps by misadventure, the House language, page 2, line 11, which is erased in the bill, has the same provision under "Naval vessels."

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That amount was deducted from the total amount for procurement of aircraft, when the Department submitted the budget relying on obtaining the $525 million carryover from the fiscal year only for the procurement of aircraft, and naval vessels as well as aircraft.
Mr. PROXMIRE. I should like to clarify a point in the committee report which appears to conflict with information I have received from the Department of Defense. On page 2, in the second paragraph, under the chart, the second sentence reads, "The Department of Defense will spend the money on the amount as available only for this purpose."

The executive branch had requested new obligatory authority of $171 million to proceed with a limited development program on the B-70, noting that the funds are not subject to the authorization requirement, since it would have been applied to development, instead of procurement.

Assistant Secretary of Defense Hitch has said that the statement is not true, and that the Defense Department did not request additional new obligatory authority of $171 million, or any other amount; that they already had it, and, in effect, the $49 million is in addition to the $180 million which they had, and it should be treated as such and understood as such by Congress. Is that statement correct?

Mr. RUSSELL. I am not sure as to that point. I agree with the Senator that the statement in the committee report is in respect to new obligatory authority is imprecise usage. In its presentation to the Appropriations Committee, the department stated that it intended to spend the $180 million this year, inasmuch as it had not expended it in the current fiscal year.

Mr. PROXMIRE. So the Department now has available $180 million—

Mr. RUSSELL. Plus $491 million.

Mr. PROXMIRE. Plus $491 million for that purpose for that purpose.

Mr. RUSSELL. The Senator is correct. I have no idea how much it will spend.

Mr. PROXMIRE. I should say it will have that amount available if the bill is passed.

Mr. RUSSELL. The Senator is correct—if the bill is passed in its present form.

Mr. PROXMIRE. I believe the Senator has made a series of very proper and helpful statements on the great importance of the development process and the superb difficulty of approving or disapproving the development process, because we become so committed on the development process, and so many hundreds of millions or billions of dollars are involved, that it is almost the best argument we might as well go ahead. Is that statement correct?

Mr. RUSSELL. I agree completely with the Senator. Sometimes expenditures in the development of new weapons are almost fantastic. The amount runs into billions of dollars.

Mr. PROXMIRE. For the Senator's information, it is for that reason that, although I do not intend at this time to offer any amendments to reduce the provisions of the bill, I will probably do so when the appropriation measure comes before the Senate. If I did, it would be redundant if we considered such an amendment at this time. However, for the record, since I hope that we can get the best informed possible in the Record on this point, I should like to ask the distinguished Senator for his comments on the remarks of the Secretary of Defense on the B-70, because I believe their devastating against the program, and it seems to me very devastating against the procedure of making what the Secretary now offers an approximately $670 million available for its development.

Let me read several statements. He said:

A careful study of the earlier B-70 proposal led to the conclusion that it was really no more than a manned missile. Indeed, a book about it was published under just such a title. The old B-70 system offered none of the advantages of flexibility generally attributed to manned bombers. It could not look for new targets nor make attack mobile targets or targets of uncertain location. It offered no option but preplanned destruction—"a mission that can be effectively performed by missiles."

I should like to ask comment of the distinguished Senator on that quotation. In view of the fact that the statement was the basis of the objection of the Secretary of Defense against the proposal.

Mr. RUSSELL. As I understand, the Secretary was reading from the testimony of the Secretary of Defense before the committee.

Mr. PROXMIRE. The Senator is correct.

Mr. RUSSELL. I believe the testimony was in opposition to the mandatory provision, which would require the expenditure of more than $171 million on the B-70. The provision in the bill, of course, is a compromise of these, and issues that appeal to the emotions are compromises. Some members of the committee wanted to require such expenditures. Other members thought the Secretary had completely demolished any justification whatsoever for the B-70 and were wondering why he was agreeing to spend a large sum of money on the nuclear warhead and demolition that he had condemned with such scathing words. In effect, the provision would leave the decision up to the Department of Defense, though the Department cannot only convert the funds to some other purpose.

Mr. PROXMIRE. I think the statement of the Senator will be very useful. I think it will be useful history for the Department to understand, because when Congress authorizes the expenditure of $491 million only for the production, planning, and long leadtime procurement for the RS-70 weapon system, it seems to me there is a clear intention that Congress wants to go ahead. I understand there is no direction to the Secretary to expend the amount. But if the Senator says it is solely to the Secretary of Defense, and if the Senator says that he can make the decision freely on the basis of his own judgment with respect to the moneys available, I think this a reasonable position to take.

Mr. RUSSELL. I point out to the Senator that the identical language was the procedure of making what the Secretary did not buy the bombers. He did not spend one dime of the money. He is asking this year to have the money, but we are transferring it for other purposes. There is nothing in the provision
that would make it mandatory for the Secretary to spend one dime more.

Mr. PROXMIRE. I should like to go one step further. It seems to me that the Senator has said that we are affording an opportunity not only to the Secretary, but also to the Committee on Appropriations, when it takes up the measure, to consider the subject further, for they may decide on the basis of information available to them at that time not to go ahead.

Mr. PROXMIRE. Let us suppose that the Secretary should decide to go ahead, but let us suppose that the Appropriations Committee, in deciding to appropriate any of these funds, they will have to review the subject completely and decide what they will appropriate.

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Mr. RUSSELL. Yes. It is $310 million for a new aircraft carrier. That is a conventional carrier, not a nuclear carrier.

Mr. PROXMIRE. It is not a nuclear-powered aircraft carrier. It is a conventional carrier.

Mr. RUSSELL. That is correct.

Mr. PROXMIRE. The hearing at page 454 indicates a great deal of confusion over the difference in the facts as I understood them. Instead of the 14 attack carriers that we had in 1960, we now have 16 in the attack fleet. I am reading from near the bottom of the page 454. I must warn you I read the appropriate statement, as follows:

In fiscal 1963, this current year, as a result of the Berlin crisis, we went up to 16 attack carriers.

Then it goes on to state that the Navy recalled several squadrons from the Naval Reserve, and so forth.

Mr. RUSSELL. That means that they activated two attack carriers which previously had been in mothballs.

Mr. PROXMIRE. I read further:

As a result, our current forces require 7,672 aircraft, but now in fiscal 1963 we intended to activate two carriers which previously had been recalled to return our recalled Reserves to inactive duty. Accordingly our requirements for operating aircraft total 7,329 operating aircraft.

Previously the testimony had shown:

In fiscal 1961 we went up to 15 attack carriers, plus other forces, and we needed 7,800 aircraft.

I presume on the basis of the specified aircraft needs that they do not need 16 but only 15 attack aircraft carriers, and therefore they will retire one of the carriers. If the new carrier is added, they will retire two carriers.

Mr. RUSSELL. Of course, it will be 3 years before that ship is completed.

Mr. PROXMIRE. At any rate, they are in process of reducing the number of attack carriers.

Mr. RUSSELL. I had the opinion that this information was classified. However, the Senator has read it from the printed hearings, and that testimony was cleared by the Department of Defense. It was originally presented to us in classified form.

Mr. PROXMIRE. Well, the first point is that the carrier fleet is being reduced.

Mr. RUSSELL. I believe that means that one of the Essex-type carriers that was taken out of the mothball fleet will be put back in the mothball fleet.

Mr. PROXMIRE. The second point is that the carriers are primarily useful, not for all-out war, but for limited war. Is that correct?

Mr. RUSSELL. That is one of the most highly controversial questions that has been before the Congress. That is certainly the view of the Secretary of Defense. He says that they are useful only in limited war. However, there are some officers in the Navy, officers of great ability, who believe these carriers can protect themselves and that they would be useful in all-out war.

Mr. PROXMIRE. Of at least many purists, a limited war, the Essex-type carrier is just as useful as a Forrestal-type carrier. There may be advantages to a Forrestal carrier, but in terms of limited war, such as the situation which presented itself in 1958 in Lebanon when we used aircraft carriers—and this would have been true of any other, and not necessarily of any other—there are huge and extremely restricted areas, where we could use the Essex-type carrier, just as effectively as the new carriers. The Essex could be just as useful and just as impressive as the Forrestal-type carrier would have been.

Mr. RUSSELL. It would be in a conflict of that size. However, if the trouble were larger, and we had the use of larger forces. I would think that the Forrestal-type would be highly advantageous. In the type of case presented by the Senator from Wisconsin, the Essex-type carrier would be adequate.

Mr. PROXMIRE. In a much larger kind of operation we are certain to be concerned with extremely restricted areas which case the judgment of the Secretary of Defense is that the aircraft carrier's usefulness would be questionable.

Mr. RUSSELL. The Secretary of Defense is certainly the view is that the Essex-type carrier's principal value is in limited war, to provide air cover to ground forces that are carrying out a mission necessary to our national security. It goes on up to some commitments that we have made in the many treaties we have entered into all over the world.

I must repeat that there are officers in the Navy, and I believe that the carrier has a very vital role in all-out nuclear war. They see it as a movable airfield. They feel that the enemy knows where every base we have in the world is located, and can drop a nuclear warhead on it. However, the carrier as a mobile base can move around, and these officers believe that it has great value in a strategic war.

However, that is a question on which I have had difficulty making up my own mind, much less deciding it as a matter of law. I have gone on the theory that for any limited war, eventually we could afford to take the risk, as expensive as these ships are, of continuing to build some of these carriers. Some of our carriers at the present time are almost 20 years old, and they have seen some hard usage.

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

Mr. RUSSELL. I yield.

Mr. BUSH. I should like to refer very briefly to the position which Admiral Burke took when he was Chief of Naval Operations and which I have heard is officially maintained by the Department of Defense. The aircraft carrier force, with its medium-range bombers equipped with atomic weapons—and the 6th Fleet is carrying such aircraft and such weapons in the Mediterranean—would be a particularly effective force if we were involved in an all-out war. I have had occasions to visit the 6th Fleet in the Mediterranean. I think he testified to that effect before our committee several years ago. Does the Senator from Georgia recall that?

Mr. RUSSELL. Oh, yes. All carriers have planes capable of carrying nuclear bombs and I understand that if the Senator from Georgia from the Mediterranean?

Mr. PROXMIRE. I understand that. Is it not also true that a carrier is about the size of three football fields end to end?
speed underwater, and can remain underwater indefinitely.

Mr. PROXMIRE. I understand. A nuclear-powered aircraft carrier does not have to be refueled so often. As a matter of strategy, it has a great advantage over the conventionally fueled aircraft carrier, which we are now building, and which, I believe, confronts us with an extremely difficult refueling problem. Is not that correct?

Mr. RUSSELL. That is true; but the quantity of fuel that I have forgotten the exact amount of fuel they can carry; but it is an enormous amount. I believe carriers can be refueled while they are at sea; in fact, I am certain they can be. They do not have to stop. A tanker can run alongside the carrier and refuel it.

Mr. PROXMIRE. I so understand. That can also be done with a frigate.

Mr. RUSSELL. Yes, indeed.

Mr. PROXMIRE. I am also very much disturbed about the cost; $310 million is a fantastic amount of money, particularly in view of the fact that I understand, this amount does not include the cost of weaponry or airplanes, which is in addition.

Mr. RUSSELL. A carrier that is fully equipped, down to the last detail—weapons, aircraft, and protective forces—costs more than $1 billion.

Mr. PROXMIRE. More than $1 billion.

Mr. RUSSELL. That is correct.

Mr. PROXMIRE. To compare that cost with the cost of a few other programs, for example development, for all of last year for the whole country was $44 million; Urban Renewal, $211 million; housing for the elderly, $100 million; National Institutes of Health, the total spending for research into cancer, heart disease, mental health, and so forth, $420 million.

This is not to mention some of the substantial amounts spent on M-14 rifles, which cost $68,750 to $114 apiece. We could procure from three to five million of them for the $300 million cost of a carrier. Five nuclear powered submarines cost the same as one aircraft carrier.

The information I have received—and I am sure the Senator from Georgia is a far better authority on this subject and on all other defense matters than I am—is that the appropriation has not been increased for the M-14 rifles. Complaints have been received from the Chief of Legislative Liaison, Department of the Army, that the Army is not getting the rifles in the numbers needed because funds have not been adequate to place orders for rifles. Frankly, I have personal experience that at Fort Lewis our Wisconsin 32d National Guard is very short of M-14 rifles.

Mr. RUSSELL. That has been a long story. There has been a lag in the equipping of the infantry and Marine Corps with M-14 rifles. Progress is being made in that direction. I wholeheartedly agree with the Senator from Wisconsin who has no faith in counter for weapons, when it comes to today's complicated, complex system and the entire new problems with which we are confronted in the waging of war. It so happens that there are several weapons systems today on which we are spending enormous sums, although we do not know whether they will have any great value in the event of war. But we cannot afford not to build them, because it might turn out that they will be of great value. There is no bargain counter for security today. I think the Senator and I are agreed that the military establishment of this country today has been worth its cost considering what we seek to preserve.

Mr. PROXMIRE. I wholeheartedly agree with the Senator from Georgia. We cannot put a price on freedom; we cannot put a price on independence. If we cannot defend ourselves, then what we have in the country today is worthless.

Mr. RUSSELL. I was about to say that if we could not defend ourselves, we would lose our liberties and be overrun by the Soviets. We would not have urban renewal programs and projects of that kind. We would all be slaves, chained and captive, and the whole world would be plunged into darkness.

I agree with the Senator that there is great waste in the program, too. There is some overspending for destruction that causes men to be more careless in spending money than they would be if they were building for constructive purposes. Why that is, I do not know, but I have observed, over a period of almost 30 years in the Senate, that there is something about buying arms with which to kill, to destroy, to wipe out, to obliterate great transport systems which causes men not to reckon the dollar cost as close as they do when they think about proper housing and the care of the health of human beings.

Mr. PROXMIRE. What the Senator has said is absolutely correct. We shall have to make these decisions. The Chief of Legislative Liaison of the Army, and the Chief of the Navy can come to Congress and make fantastic requests for money. We must make the judgment. We can always say, as to any request, that it is absolutely necessary, and we can justify any expenditure on that basis. That is the easy way. But we must make these hard judgments. That is why I think the case which can be made against the aircraft carrier should be made and should be considered. Senators should stand ready, if they are convinced that there are better ways to spend so much money at least on defense, to delete the aircraft carrier, and not spend the money for it.

What disturbs me most is that the able Committee on Armed Services—and I do not think there is any more expert or, as other Senators have said, more responsible or more burdened committee than the Armed Services—in the table contained in its report shows that the amount requested for aircraft for the Army is $218,500,000; no change. The Committee on Armed Services has left what is left, as just as it is, so far as H.R. 9751 is concerned.

For the Navy and Marine Corps, the amount requested for aircraft is $3,134,600,000; no change.

For the Air Force, the amount requested is $5,636,000,000, the increase of $491 million which I have discussed. In the Air Force, the amount requested by the Army is $585,300,000; for the Navy, $930,400,000; for the Marine Corps, $223,300,000; for the Air Force, $2,500,000,000. There is not 1 cent of change of what the Senate committee in any of those items.

Mr. RUSSELL. I point out that the Senate committee has reduced the amount of it before we add it to the other body by nearly $100 million. We did not reduce it below the amounts recommended by the Secretary of Defense. We added to them when we included the $491 million.

Mr. PROXMIRE. What was that reduction?

Mr. RUSSELL. Army aircraft and missiles and a slight reduction in Air Force missiles.

Mr. PROXMIRE. So what actually happened was that the Senate Armed Services Committee voted to eliminate the increases of $458 million in connection with the requests of the Department of Defense?

Mr. RUSSELL. Those over and above what the Department had requested.

Mr. PROXMIRE. But the Senate committee accepted the request of the Secretary of Defense, in one type of weapon after another, verbatim, did it?

Mr. RUSSELL. That is correct.

Mr. PROXMIRE. I realize that it is difficult to expect any Senator to vote for a reduction in defense spending against the opinion of the Secretary of Defense.

Mr. RUSSELL. The action we take here is not the final action on this matter.

Mr. PROXMIRE. But the experience last year and the year before is that we go ahead—

Mr. RUSSELL. We could include limits this year, so as to prevent the Appropriations Committee from voting in favor of providing appropriations for the full requests made by the Secretary of Defense. But we know that the President will be able to annually $3 billion of the requests made by the Department of Defense, before they were sent to the Bureau of the Budget; and in the Bureau of the Budget, further reductions were made.

Of course any Senator has a right to propose to strike out any item of the bill. However, without these authorization limitations, the Appropriations Committees could not even consider the full amounts of the President's appropriation requests.

Mr. PROXMIRE. I understand. But of course in the past the Appropriations Committees have virtually accepted in the increases the House voted in connection with the requests of the Department of Defense.

Of course I admire very greatly the Senators from Georgia in one of the outstanding Members of the Senate; but certainly we must demonstrate a willingness to consider the making of such changes. If we do not demonstrate that, then it would seem that we have no alternative but to accept the Department's requests; and, in that event, no reductions in the Department's requests ever would be made.
Certainly we recognize that the Secretary of Defense has very great ability; but there is the judgment of which Congress performs is, in many respects, in sifting and winnowing the departmental requests—in which process the Members of Congress use their own judgment, with the resulting majority of votes in the Senate and in the House of Representatives were overruled in that way by the Secretary of Defense.

Mr. PROXMIRE. This exactly is the point we won when the Senate agreed with us. If he disagreed on spending there would be no chance. Mr. President, I thank the Senator from Georgia for his great patience in replying to my questions. I wish to say that although I am not offering any amendments at this time, I probably shall offer an amendment to reduce the funds to those requested by the administration for the RS-70 program, when the appropriation bill comes before the Senate, and to eliminate the Senate. I still not offer such an amendment now, because then I would virtually repeat the process when the appropriation bill did come before the Senate.

Mr. RUSSELL. I thank the Senator from Wisconsin.

Mr. DWORSHAK. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. The PRESIDING OFFICER (Mr. Proxmire in the chair) declares the Senator from Georgia yield to the Senator from Idaho.

Mr. RUSSELL. Mr. President, I have listened with much interest to the debate regarding the aircraft program and the programs for other implementations of war for the Department of Defense. I have been following the officials of the Department of Defense recommend the authorization of funds with which to construct another aircraft carrier.

Mr. RUSSELL. Yes, both the Secretary of the Navy testified in favor of providing funds for an additional aircraft carrier. They pointed out that many of our carriers now in use are almost 20 years of age. Mr. DWORSHAK. The President from Wisconsin indicated, a while ago, that he is very eager to follow the recommendations of the Defense Department in regard to the B-70 bomber program. If he follows the same procedure, will he not support the proposal for the appropriation of funds by which to construct an additional aircraft carrier?

Mr. Proxmire. Mr. President, if the Senator from Georgia will yield to me at this time.

Mr. RUSSELL. I yield.

Mr. PROXMIRE. Let me say that I followed the view of the Secretary of Defense in that instance, because of the very cogent basis of his reasoning. But if the Senator would not surrender the responsibility to use my own judgment; and I happen to think that the Secretary of Defense is wrong in his recommendation in regard to aircraft carriers, and that he is right in his recommendation in regard to the RS-70 program. That is why I take this position.

Mr. DWORSHAK. The Senator from Georgia, the chairman of the Armed Services Committee, is also a very able member of the Appropriations Subcommittee which handles the appropriations for the Department of Defense. Is it not true that after holding many weeks of hearings on the various items for the Department of Defense, the Senate agrees with the Budget Bureau and the President, close scrutiny is given to every request made, a balance is struck as between the desirability of the several categories, and they are, in the judgment of whatever committee, are on the part of the members of that Appropriations Subcommittee to follow blindly the Bureau of the Budget requests; but, instead, the committee members use their collective judgment in trying to allocate in the most effective manner the ceiling this year of approximately $50 billion.

Mr. RUSSELL. Certainly that is true; and it is manifest from the fact that last year, although we made some minor reductions in the budget, we added $855 million for a new wing of B-52's, which was included in the final bill. Mr. DWORSHAK. What happened to that new wing?

Mr. RUSSELL. As I pointed out a moment ago, the President and the Secretary of Defense didn't follow the majority of the Congress; and the President and the Secretary of Defense closed down the assembly line, and the result is that soon we shall be out of production of this country of manned long-range bombers.

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

Mr. RUSSELL. I yield. Mr. DWORSHAK. I also want to commend the distinguished chairman of the committee, who, as I have already said, is also a member of the Appropriations Subcommittee which handles the Department of Defense budget, but who has great experience in the Senate in dealing with the very complex problems of national defense. He has rendered over the years outstanding service to his Nation. It has been a privilege to share with him. He has been independent and courageous in doing those specific things which he considers vital to the Defense Department and to our national survival.

Mr. RUSSELL. I am deeply appreciative to the distinguished Senator for that compliment.
omended by the House and Senate committees for this program. I hope also that the Secretary of Defense will lose no time in carrying out his promise to take another look at the program and to give full consideration not only to the size of the program recommended by the committees but the depth of the committees' conviction in approving the program.

It is in the interest of our country's security that we get moving as fast as possible on the Hughes amendment.

THE PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

THE PRESIDING OFFICER. The question 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 (H.R. 9751) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

THE 100TH ANNIVERSARY OF THE BIRTH OF CHARLES EVANS HUGHES

Mr. JAVITS. Mr. President, I invite the attention of the Senate to the fact that today is the 100th anniversary of the birth of Charles Evans Hughes.

In a most eloquent editorial today, the Washington Post and Times Herald cites the extraordinary achievements of this very gifted and important New Yorker.

Mr. President, I think we should all express gratitude and satisfaction that this is an American who, in the middle 1930's, held evenly the scales of justice and piloted his 'packings' of the Supreme Court in a very adroit way—and yet in a way completely compatible with his judicial duties. I think those who hold the rule of law must be ever grateful to Charles Evans Hughes for this as well as other historic services.

Mr. President, I ask unanimous consent that the editorial may be printed in the Record.

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

HUGHES CENTENNIAL

Today is the centennial of one of the best known figures among the great men who have presided over the Supreme Court. At the time of his birth in Glens Falls, N.Y., on April 1, 1862, the only son of a humble Baptist minister, Charles Evans Hughes would scarcely have been singled out as a prospect for an eminent place in the legal history of the country. As a young man, however, he found a consuming interest in the law, and that interest seemed to propel him into public life. His first momentous undertaking was the investigation of the life insurance business in New York; then he was twice elected Governor of New York State, appointed to the Supreme Court of the United States, nominated for the Presidency in 1916 against his wishes, defeated in a close race by Woodrow Wilson, gave up his seat in the World Court and finally became Chief Justice of the United States at the age of 67.

Despite the wide range of his public service, Mr. Hughes' name is most prominently associated with his contributions to constitutional law upholding civil liberties and with his piloting of the Supreme Court through the difficult period when President Franklin D. Roosevelt sought to pack it, will always remain subjects of controversy.

Nevertheless, I am grateful that, through the power of public opinion, the independence of the Senate and the skill of Chief Justice Hughes, the ignominy of court packing was avoided.

Mr. Hughes' stewardship through this turbulent era compares most favorably with the conduct of his predecessors in previous crises. When the Supreme Court was under heavy pressure from the Jefferson administration, during the attempt to impeach Justice Chase, Chief Justice Marshall retreated to the extent of suggesting that Congress reverse decisions of the Court which it deemed unsound. In the Court's Civil War crisis, Chief Justice Taney allowed it to slip into open feuding with the Lincoln administration. Hughes avoided both these unfortunate precedents by maintaining a judicial silence and by resisting both the extreme standpoints of the conservative wing of the Court and the more vulnerable of the New Dealers.

While controversy continues over specific decisions and over the precise role that Mr. Hughes played, the sweep of judicial history has confirmed the wisdom of his conception of a "marching Constitution" and appreciation for his skill in presiding over a court of nine eminent and independent-minded jurists that has constantly grown. Whatever his mistakes of judgment, they were conscientiously made after due diligence. And if his concept of a "marching Constitution" did not always keep pace with the temper of the country, it helped to restrain some excesses, such as the N.R.A., that were incompatible with our system of limited government.

On the basis of his whole career, Charles Evans Hughes earned the lasting gratitude of a free people. His centennial is an occasion on which we can express our appreciation for the strength of its judicial institutions.

THE ARAB-ISRAEL ISSUE

Mr. JAVITS. Mr. President, I invite the attention of the Senate to a strong editorial published in the New York Times of today entitled "Evading the Arab-Israel Issue," which I ask unanimous consent to have printed in the Record.

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

EVADING THE ARAB-ISRAEL ISSUE

In one of those actions that feed criticism of the United Nations, United States Ambassador to the United Nations has met out something less than evenhanded justice in the Syrian-Israelian dispute.

The Council was right and bound by the precedent of its 1956 resolution to condemn Israel's latest escalation of a border incident into a major military action as a "flagrant violation of United Nations decisions." Such a violation was equally right in calling on both Syria and Israel to comply with the armistice agreements of 1949. charts, in moving to strengthen the truce supervisory machinery and in requesting both sides to continue the armistice cease-fires.

But the Council fell short of both impartiality and its own principles in two respects.

ANGOSTURA UNIT, MISSOURI RIVER BASIN PROJECT

Mr. MANSFIELD. Mr. President, because of a time limitation, I ask unanimous consent that the unfinished business on the Angostura project, and to delete the words "as shown in the March 14, 1961, notice of 1962," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to defer, without interest, the collection of irrigation projects and repayment charges due in the calendar year 1962 as shown in the March 14, 1961, notice.
of 1962 water charges to the Angostura Irrigation District: Provided, That the Secretary and the Treasury shall be authorized to make such payment prior to May 1, 1962, for the payment by the district of such deferred charges during the four-year period commencing January 1, 1966.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed hereafter in the Record excerpts from the report of the Senate Committee on Interior and Insular Affairs, showing the purposes of the bill, and its endorsement by the Bureau of Reclamation, Department of the Interior, and the Bureau of the Budget, with the amendment.

There being no objection, the matters ordered to be printed in the Record, as follows:

AMENDMENT

The committee adopted the amendment recommended by the Department of the Interior to clarify the intent of S. 2522 and to provide repayment flexibility. By amending S. 2522, it becomes possible to spread the deferred charges over the entire 40-year repayment period at the rate of $0.086 per acre annually.

This bill would authorize the Department of the Interior to defer the collection of operation and maintenance charges due in 1962 from the Angostura Irrigation District. An extended drought has caused a critical water shortage with resultant decreases in crop production. Records indicate that the annual runoff within the basin has been decreasing for the past 3 years. In 1959 it was 42 percent of normal. In 1960 it was 28 percent while in 1961 only 25 percent of the annual average. Because of the shortage, much of the land was not irrigated with low yields on the balance. Many of the irrigators have loans on land, improvements, and equipment. As a result of a situation over which they had no control, many of the landowners are in a critical financial condition and are unable to meet the 1962 charges now due.

The committee feels that temporary relief is urgently needed and justified under the circumstances.

CONGRESSIONAL RECORD — SENATE

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C., March 6, 1962.

Hon. CLINTON P. ANDERSON, Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR Mr. CHAIRMAN: This is in reply to your letter of August 25, 1961, and the request of Mr. Anderson, Chairman, Committee on Interior and Insular Affairs, U.S. Senate, on the subject of S. 2462. The Bureau of Reclamation has been doing everything possible to make water available to the water users in advance of the beginning of the irrigation season. A substantial canal and lateral lining program is underway and will result in a significant saving of water currently being lost through evaporation, seepage, etc. Preliminary studies show that limited amounts of water could be diverted from Yuba River into Angostura Reservoir, and Bureau procedures will improve conditions but they cannot be fully accomplished for some time. Some benefits, however, should occur in 1962. Meanwhile, the water users urgently need the temporary relief which the proposed bill will provide.

To clarify the intent of S. 2522, we recommend that all of the language in the bill following the word "charges" on line 5 be struck, and that there be inserted the following: "due in the calendar year 1962 as shown in the March 14, 1961, notice of 1962 water charges to the Angostura Irrigation District, provided that the Secretary and the district enter into a contract prior to May 1, 1963, for the payment by the district of such deferred charges over the period of 40- (40-) year period commencing January 1, 1966."

The procedure would provide flexibility by making it possible to spread the deferred charges over the entire 40-year repayment period at the rate of $0.086 per acre annually.

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

Sincerely yours,

KENNETH HOLUM, Assistant Secretary of the Interior.

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Philip S. Hughes, Assistant Director for Legislative Reference.

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Sincerely yours,

KENNETH HOLUM, Assistant Secretary of the Interior.
The PRESIDING OFFICER. The question is on agreeing to the committee amendment. The amendment was agreed to.

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

The bill (S. 2522) was ordered to be engrossed for a third reading, was read the third time, and passed.

STEEL PRICE INCREASE

Mr. HUMPHREY. Mr. President, I shall be brief.

The action of United States Steel Corp. in raising steel prices $6 a ton is contrary to the public interest. It is inflationary. It is an affront to the President. It is an irritant to labor. It is economic arrogance. It is an additional burden on the consumer, and it can, and most likely will, send the round of wage and price increases throughout vast areas of American industry.

Finally, it seriously weakens American capacity to compete in foreign markets. In the view of United States Steel, leaders of the steel industry that "we are pricing ourselves out of the world market," the United States Steel Corp. raises prices and admittedly weakens its competitive position in the international market.

Now, I understand, other steel companies are doing the same. The action of United States Steel stands in sharp contrast to the self-restraint and responsibility of the United Steelworkers in their recent negotiations. The steelworkers' call for the plea of the President to hold the line. The ink is scarcely dry on the contract between the companies and the union, when, with no advance notice to Government or public or labor, United States Steel raises its prices.

I noted that the New York Times of this morning indicated some of the attitude which existed in the steel industry.

A statement which referred to the effect that the steel executives were jubilant over the action taken last evening.

I ask unanimous consent that at the conclusion of my remarks, the articles from the New York Times of April 11 may be printed in the Record.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the contract entered into between United States Steel Corp., and the United Steelworkers on April 9th promised to assure our Government and all other objective observers confidence that steel prices would remain steady. The increased labor costs—as a result of the new agreement—do not exceed the 21/2 to 3 percent increase in productivity in the industry. Production per man-hour will continue to increase at a rate adequate to cover the added labor costs. These are the cold, hard facts.

The nationwide concern over the inflationary effects of United States Steel Corp.'s price increases is shared by the United Steelworkers of America. I read the statement of David J. McDonald, the highly respected and responsible head of that great American union, as follows:

I am surprised, troubled, and concerned by the announcement of United States Steel that steel prices are being increased by $6 per ton.

The Steelworkers Union has never bargained with the steel companies about price increases—and will not do so this year. The announcement of United States Steel was unceremoniously made without notice. Nevertheless, because the fact is that, as the President of the United States has said, our entire settlement was entirely noninflationary and well within the current increases in steel productivity.

I am surprised by United States Steel's attempt to place the blame for this price increase upon the settlements which have been negotiated by the steel industry.
I appeal to one of the steel companies to demonstrate its independence and its concern for the well-being of our Nation by maintaining the old price. It was quite obvious that only yesterday one of the larger companies thought it was not necessary to restate the old price.

Mr. HUMPHREY. I thank the Senator for the well-being of our Nation to demonstrate its independence and its concern, any private discussion, the price was increased.

A few days ago I sat in my office with representatives of the largest steel corporations in the United States—the United States Steel Corp. There was no indication of the action announced to the American people—and he had a right to do so—that the Union Steel Corp. , the other firms at the opening of his televised news conference.

Mr. McGEE. Does not the assistant majority leader agree that the steel companies have failed us in that regard?

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

Mr. HUMPHREY. I yield.

Mr. HART. Those of us who have had the privilege of knowing the President of the United States during his period of service in the Senate have practically upon opposition and restraint, a man of eloquence and great courage.

Mr. HUMPHREY. I thank the Senator.

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

Mr. HUMPHREY. I yield.

Washington.—President Kennedy said this morning's newspaper that that will not be the case in the long run because of the law of diminishing returns.

Mr. HUMPHREY. I thank the Senator.

The President said that price and wage increases were so large that every time the steel companies pay extra wages, they make more profits. We know that that will not be the case in the long run because of the law of diminishing returns.

I wish to agree wholeheartedly with the Senator from Wyoming (Mr. McGee) in his statement that this is a damaging blow to the free economy system. And we think it is true that these corporations have an obligation to their stockholders, but they have an even greater and deeper obligation to the Nation.

Mr. HUMPHREY. I thank the Senator.

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

Mr. HUMPHREY. I yield.

Mr. HART. Those of us who have had the privilege of knowing the President of the United States during his period of service in the Senate know him to be a man of eloquence and great courage.

I ask unanimous consent that the ticker tape summary of the President's statement on this subject at his press conference today, which has come over the news wires, be made a part of the Record at this point.

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

WASHINGTON.—President Kennedy said today that the steel price increase announced by the major producers here today was "utter contempt and "irresponsible defiance" of the Nation's interests.

Kennedy denounced price rises by United States Steel Corp. and the other firms at the opening of his televised news conference.

He called attention to the fact that the price increases were "simultaneous and identical."

The Chief Executive appeared to be in a grim mood as he read his statement to newsmen. Speaking in deliberate, stern tones, he charged that "a tiny handful of steel executives" had acted "in pursuit of private power and profit" and had shown "utter contempt for the interests of 150 million other Americans."

He said they had done this at a time when the American people were being asked for "restraint and sacrifice."

The President said the steel price rise came in a "serious time in the Nation's history" when the United States faces "grave crises in Berlin and southeast Asia" and also is seeking recovery from economic instability.

He also said it came at a time when "we are selling reserves to leave their homes and families" and when "servicemen are risking their lives."

He said that four Americans had been killed in the last 2 days in South Vietnam.

Kennedy said that if the steel price increase is "imitated by the industry instead of being resisted," it would increase the cost of homes, automobiles, appliances, and other goods for every American family.

He said it also would increase the cost of machinery and tools for businessmen and farmers, would "handicap our efforts to prevent an inflationary spiral," and would "make it more difficult for American goods to compete in foreign markets."

Moreover, he said, Defense Secretary McNamara had informed him that the steel price rise would add $1 billion to the cost of our defenses at a time when every dollar is precious.

Within less than 24 hours after United States Steel Corp., the Nation's largest producer, announced a $6-a-ton increase, the other major firms followed suit. Bethlehem Steel, the No. 2 producer, was the first to fall in line. Jones & Laughlin Steel Corp. and Republic Steel Corp. followed.

The President said that price and wage decisions in this country were made freely by individuals involved.

But, he added, the American people have a right to expect a higher sense of business responsibility for the Nation's welfare than some of the steel firms have displayed.

He recalled that he had told the Nation not to ask what its Government could do, but rather how it could assist the national welfare.

"I asked the steel companies the same question and in the words in which I had the answer," he said, in his prepared remarks on the steel price boost.

Mr. HART. I believe this should cause us all to think, including the United States Steel Corp. leadership.

I was privileged to sit as a member of the Antitrust and Monopoly Subcommittee of the Judiciary Committee some time ago when we heard Roger Blough, President of the United States Steel Corp., testify in opposition to a bill pending before the committee which would have required pre-price-rise notification whenever a basic industry intended to change prices.

The steel companies would have required an industry to file this notice with the Federal Trade Commission about 30 to 40 days prior to the effective date of the price increase.

Mr. HART. Mr. Roger Blough be in a much stronger position if he had complied with a law such as the one that was proposed? He would not have dumped us over the cliff or run us down the path which we believe we have been treading. As a matter of fact, I had great reservation about the wisdom of enacting that bill.

Surely, in the light of events of the last 24 hours, I believe that somehow or other the Federal Government ought to be big enough to develop an instrument whereby the voice of the consumer be heard on this subject.

We are reacting somewhat emotionally ourselves. Perhaps we are reflecting some of the frustration we feel because we have not been able to get this kind of information. If the Government of the United States is big enough to defend freedom, it ought to be wise enough to develop a device which will let the consumer be heard on this subject.

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

Mr. HUMPHREY. I yield.

Mr. HUMPHREY. I was very much interested in the very effective address made by the distinguished Senator from Minnesota (Mr. Humphrey). I particularly agree with him in his statement that this is a great misfortune to this Nation, as we struggle to walk the path between the alternative cliffs of inflation and depression. From my point of view, as basic as steel is suddenly, without warning, and without justification,
throw this bombshell into our very deli-
cately poised economy.

At this time, certainly, the protection of the
price line was of vital importance, but the protection of this Nation, our
economy, and our foreign markets, by
stabilizing the prices of millions of items
made from steel are also of great impor-
tance.

I have seen no justification, and the
committees of Congress have found
none, for the rise of $6 per ton in the
price of steel.

During the war, when we had price
control, when hundreds of billions of
dollars were dumped into the war ef-
fort, the basic price line that had to be
held was steel. On wages the formula
was "little steel." The price line was
held after we had acquired this firm
control of the price of steel.

In Pittsburgh as a frustrating end to a long and
hard effort by President Kennedy and his
ranking officials, hearing the news from a re-
dier subcommittee 3 days after the
administration started last spring to
urge that the rest of the steel in-

price of steel.

The administration's attention turned
then to United States Steel. The Presi-
dent's Council of Economic Advisers pub-
lished guidelines for noninflationary wage
and price increases in the industry, and the
President personally asked the leaders of
the industry and the union to sit down and
arrange a new contract quickly without a
strike.

The new contract was signed last Friday,
3 months before the old contract expires.
The President, in a letter to David J. McDon-
aid, the union president, called it "forward
looking and responsible."

The new terms—no wage increase at all for
1 year and new fringe benefits costing
about 10 cents an hour—were "obviously
noninflationary" and a salary increase, and
were a "genuinely forward-looking base for
continued price stability," the Presi-
dent said.

SAID TO REFLECT PRODUCTIVITY
The administration, and labor authorities
here, believe that the recent settlement was
within the general rule set by the council's
guidelines.

That is, the increase in the industry's
output per man-hour in the steel industry
would be absorbed in either steel-using industries or nonsteel
industries.

Steel users may add the higher cost to the
prices of their own products, as they have on
past occasions, or they may absorb it.
Non-
steel industries may or may not follow steel's
example.

The disinclination of union sources to at-

The other companies could not be reached
for comment. Bethlehem Steel Corp. execu-
tives were returning home after a stock-
holders' meeting in Wilmington, Del. At the
meeting, the president, Edmund F. Martin,
said there should not be any price rise even
after the new labor contract goes into effect
on July 1.

He went on: "We should not do anything
to disrupt the harmony. We have
more competition both domestically and from foreign firms. We
need to sell more steel."

The other analyst in the nonferrous metals
field said that he thought the market would
rise as the price rise was inflationary. He added that the increase was
not sufficiently large in his opinion to cause
metal users to shift to competitive metals
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[From the New York Times, Apr. 11, 1962]
PITTSBURGH, April 10.—The United States
Steel Corp. announced tonight an average
increase of $6 a ton, effective at midnight.
Five days ago it signed an administration-
backed labor contract that by-passed a wage
rise. The new contract was designed to
reduce noninflationary by President Kennedy.

The other members of the "Big 11" steel
companies were expected to announce price
increases soon.

United States Steel, the Nation's No. 1
producer, informed its customers of a 2-
percent rise, and other companies were
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Three divisions affected
United States Steel said the increase would
affect all its principal products, as well as
those of its three operating divisions—Ames-
tican Steel & Wire, National Tube, and
Tennessee Coal & Iron.

A company spokesman said semifinished
forging quality carbon steel would be
increased an average of $0.60 to $104. Sem-
finished rolling was expected to go up
also by that amount to $33.50, and
carbon steel tube rounds to $127.50.

Mr. D. Worth, corporate president, said that since 1958 "the level of steel prices
has not been increased, but..." if anything, has declined somewhat. He added:

"If anything, the situation has the steadily
mounting production costs, which have in-
cluded four increases in steelworker wages
and benefits prior to the end of last year.

The administration, and labor authorities
here, believe that the recent settlement was
within the general rule set by the council's
guidelines.

That is, the increase in the industry's
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The severity of the competitive pressures has not diminished, and if that influence may be attributed the fact that the partial catch-up adjustment announced today is substantially lower than it was in 1955, without taking into consideration the additional cost savings in labor agreements which became effective next July.

Nevertheless, taking into account all the competitive factors affecting the market for steel, we have reluctantly concluded that a modest price adjustment can no longer be avoided, and that an increase to offset inflation costs that have made it necessary.

**MODERN PLANT NEEDED**

If the products of United States Steel are to compete successfully in the marketplace, then the plants and facilities which make those products must be as modern and efficient as the low-cost mills which abound abroad, and as the plants which turn out competitive products here at home.

"Only by generating the funds necessary to keep these facilities fully competitive can our company provide its customers with a dependable source of steel and to provide its employees with dependable jobs. "But the profits of the company-squeezed as they have been between rising costs and declining prices-are inadequate today to perform this vital function."

**INDUSTRY JUBILANT**

Pershing, April 10.—There was apparent jubilation among steel executives tonight over the unexpected announcement of United States Steel's price increase.

The action appeared to have taken other producers by surprise, although many had been studying the problem, such as a step in view of the recent wage settlement.

Steel authorities estimated that the settlement would cost the industry $180 million as the low-cost mills which abound abroad, and as the plants which turn out competing products here at home." Mr. Worthington said.

"Only by generating the funds necessary to keep these facilities fully competitive can our company continue to provide its customers with a dependable source of steel, and to provide its employees with dependable jobs. But the profits of the company-squeezed as they have been between rising costs and declining prices—are inadequate today to perform this vital function."

**Our annual report, published last month, shows clearly the steps we must take.**

"In 3 years since the end of 1958, United States Steel has spent $1,185 million for modernization and replacement of facilities, and for the development of new sources of raw materials. Internally, there were only two steel mills of our own that could come: depreciation and reinvested profit. Depreciation in these years amounted to $610 million, and reinvested profit, $167 million, or, of the total sum required. So after using all the income available from operations, we had to make up the difference of $335 million out of borrowings from the public. In fact, during the period 1958-61, we have actually borrowed a total of $600 million to provide for present and future needs. And this must be repaid out of profits that have not yet been earned and will not be earned for some years to come."

During these 3 years, moreover, United States Steel's profits have dropped to the lowest 3-year average of any steel company—$21 million in 1958, $15 million in 1959, $21 million in 1960, and $22 million in 1961. Yet the dividend rate has not been increased. In most cases, we have not yet been able to adjust these increases in employment costs during this interval.

**SHRINK CREDITS**

This squeeze, which has thus dried up a major source of the funds necessary to improve the competitive efficiency of our plants and facilities, has resulted inevitably from the continuing rise in costs over a period of almost 4 years, with no offsetting improvement in prices.

Since the last general price adjustment in 1958, there have been a number of increases in the cost of products and services purchased, including equipment, raw materials and local taxes, and in other expenses, including interest on the money we have had to borrow, an item which has increased from $11,900 million in 1958 to $14,400 million in 1961.

And from 1958 through 1961, there have been increased wages in steelworker wages and benefits prior to the end of last year, has been due to the competitive pressures which have included a four decreases in steelworker wages and benefits and from imports of foreign-made steel as well as from other materials which are used as substitutes for steel.

**THE CRISIS IN CIVIL AIR TRANSPORTATION**

Mr. MORSE. Mr. President, I should like to discuss the present crisis in civil air transportation, which has come about at a time when foreign-made steel is already underselling ours in a number of products. This crisis, which has come about at a time when foreign-made steel is already underselling ours in a number of products, cannot be maintained any longer. But the necessary lowering of the prices and wage costs which we have seen, and the necessary lowering of costs to meet that competition will be assured.

Yet, through your efforts, we can improve our competitive potential through better equipment and through expanded research. On this latter phase we are ending the doubts, and the uncertainty which—ton for ton—will do more work and go much farther than the steel that were now available to us. If we can thus give the customer considerably more value per dollar of cost. As more and more of these new steel come from our laboratories, therefore, our ability to compete should steadily grow.

The financial resources, and the financial resources supporting continuous research and resultant new products as well as those supporting new equipment, are therefore vital in this competitive situation—vital not alone to the company and its employees, but to our international balance and payment position, and to the strength and security of the Nation as well.
On the question of national security; I wrote to Mr. Theodore Hardeen, Jr., the Administrator of the Defense Act Transportation Administration, asking him exactly what the role of the supplemental carriers was in relation to the Civil Reserve Air Fleet. I quote from Mr. Hardeen's reply:

The supplemental air carriers, including former nonscheduled carriers now certificated as cargo airlines, have 96 cargo aircraft allocated to them representing 25 percent of the total of 156 cargo aircraft in the allocation. In terms of airlift capability, these 96 aircraft represent 28 percent of the allocated airlift capability. The remaining 60 cargo aircraft allocated, representing 38 percent of the capability, are allocated from the scheduled category. The passenger requirements for Craf are being currently met 100 percent by scheduled carriers.

It is one of the brightest memories in the history of all aviation to recall what these independent and nonsubsidized Supplemental carriers did for us in Berlin, Paris, and Korean airlifts. They were still a very young group at the time of the Berlin airlift. They borrowed money to acquire equipment, and carried over 20 million passengers in 1951 and more than 35 million in 1952 at that beleaguered city, flying right alongside the American and allied military craft. In Korea they carried over 50 percent of the commercial cargo. The supplemental carriers, once they were up and running, they were ready to do the job and did it well.

These strategic situations, occurring in the postwar world, proved the necessity for a speedy means of delivering cargo and personnel to a great distance. John F. Kennedy, then a Congressman, introduced his air merchant marine bill in 1949 to authorize an adequate airlift and stimulate the development of aircraft capable of carrying cargo missions. His proposals and other plans to fill the logistical gap in air capacity were opposed by the major airlines on the grounds that such programs would cause predatory and discriminatory inflation into the field of private enterprise.

Perhaps one of the private objections stemmed from the fact that the independent competitors had penetrated the military pitch-plantment field, providing one of the greatest bargains to the military at 2.7 cents per passenger mile, and bringing prices in line with costs.

Instead of an air merchant marine bill, Mr. James H. Douglas, an official of American Airlines, came up with the Craf plan whereby carriers could qualify their commercial aircraft for emergency military service. It is of interest to note that at the present time, however, that American Airlines has no planes at the disposal of Craf, whereas the all-cargo and the supplemental carriers presently supply 62 percent of the Craf capability for cargo airlift.

Eliminating these supplements and you break the backbone of the Craf cargo reserve. One wonders if equipment used on champagne flights would be ready and the pilots suitable should we need expanded airlift to Vietnam, or any other distant spot. The Lebanon experience was a poor one for airlift; and since then, and during the sheltered years following, the big airlines have put on a lot of weight that is not muscle.

The second consideration, is low-cost air transportation. During the fifties, the so-called nonskeds were flourishing in general passenger transport, the major airlines were forced to provide coach service and reduce their fares in order to compete. The majors, on the other hand, were making a killing financially, as they predicted, turned around and became healthy, and were weaned away from subsidy.

What the CAB did in 1961 was ground American Airlines, the largest and most successful of the pioneer independents. The charge was violation of the CAB's economic regulations. The regulations were an attempt to eliminate, very effectively, the independent competitors by a procedure which, according to the CAB's once-secret Goodkind memorandum, did not say much for the utilitarianism of stamping out, without due process, these carriers.

The apparent reason for eliminating Trans-American was noted by Senator Sparkman when he said, referring to the CAB's action: "The carriers were charged with too many people too economically, too frequently, with perfect safety, without any subsidy, and had made money at that time when the subsidized grandfather fathers were losing money. It had diverted no passengers, it had helped open new markets and pioneered profitable innovations for the industry, but it had spoilt the underprivileged crime—it had embarrassed the autocrats of the sky. For this it had to be destroyed. This was the pattern which Senator Sparkman recounted to the Senate June 25, 1962:"

As each of the new, veteran-owned postwar independent carriers grew and flourished in the new coach market which they pioneered, they were systematically grounded by CAB edict. The carriers were charged with violations of special regulations devised, as our colleague justly phrased it, as a checken on their existence. These economic regulations were so ingenious that compliance was economically unfeasible, and defiance legally impossible. As the OTA committee expressly warned that this CAB policy of strangulation by regulation would ultimately have dire consequences. We felt that the industry, the traveling public, and the Government would ultimately pay dearly for the restric­tions which had become CAB doctrinaire. The courts could not go into the economic doctrines, but merely the procedural questions, and here they found the CAB had used a clean knife.

When the oldest and strongest of the large irregular carriers, Trans-American Airlines, was grounded on June 6, 1957, after an extended battle with the Board, and in the courts—manifestly guilty in the words of the majority of the panel—"not regularly—it was not hard to calculate the chain reaction which would ensue.

Of course, the grounding of Trans-American was followed by a general fare increase by the major carriers—up 30 percent since 1957...

I have always held the junior Senator from Alabama in high regard, but I never quite appreciated his gift for economic prophecy, bordering on second sight. In
Is it because the scheme is too grandiose for anyone to take it seriously, any more than one would be alarmed over a tourist preparing to remove the Capitol dome?

The plan to exterminate the independent enterprises in air transportation, has been revealed in Government documents. The Goodkind memorandum—the blueprint for what was to do away with the independents—was discovered and denounced by Senator Sparkman before the Senate Small Business Committee in 1953—pages 128-129, hearings, Select Committee on Small Business, April 5, 1953. Mr. Goodkind was not the man who made the policy. He was merely the technician, the CAB expert who designed the administrative trap whereby the small carriers would be knocked out for failure to comply with so-called technical economic regulations. To comply was virtually impossible economically. To defy was certain death, and violation a better death. No words of mine, Mr. President, can more adequately describe the carefully devised nature of the plan devised than do that memorandum's very own words.

The staff is therefore generally agreed as to the desirability of finding means of bringing this phase of air transportation under more positive control within the near future.

It is believed this could be effected by keying the duration of their authority, i.e., letters of registration, to Board section on the current transport applications under 401 or (2) their pending applications for special exemption under 416. Depending on which procedure is adopted, the appropriate application could be required to be filed within specified time limits. Either procedure has the advantage of affording a means for ultimately terminating the operations of this group of carriers.

Our experience to date convinces us that, with few exceptions, it is necessary for carriers operating large aircraft to routinize their operations to a point where the type of which we believe section 292.1 was originally intended to cover is not generally available for use there and more confine their operations between certain points to build up a clientele and avoid frequent overhauls and maintenance checks, crew changes, etc. Generally speaking, this cannot be successfully accomplished economically except on regular operations.

Once a carrier is involved in route operations it is encroaching on the field which should be reserved for certificated carriers and is no longer providing the usual, unpredictable call and demand service which 292.1 was designed to accommodate and which the certificated carriers are not particularly well adapted to handle. It is instead catering to a more or less steady, if not constant, load, and must be supervised and should be subject to the requirements of section 401 of the act. Furthermore, we do not believe it necessary to develop on the lines that the independent carriers have been operated. The certificate's regularity has been and undoubtedly always will be an extremely difficult
proceeds for the closing phase of what was to be the "final solution" for the independent airline industry. Nobody was expected to survive the trials of endurance, attrition, or strangulation by regulation. But some have survived, and their fate now rests with the Congress, since the courts found that the Civil Aeronautics Act did not authorize the preemption of supplemental certificates which the CAB granted. Therefore, we now have the legislation, § 1969, which is presently in conference with the House. The importance of sustaining the Senate's version intact cannot be doubted. Any reduction in the strength of the independents at this time will accelerate the plans for a total monopoly position.

Today the major airlines are proclaiming that they are in financial trouble, or so they say. Does this trouble come from having exhausted the market at too low a price? Have they been scraping the barrel and, therefore, been unable to make ends meet? The very opposite appears to be the case.

They have not been scraping the barrel, but rather skimming the cream, operating a high-priced luxury service for a limited market, a shrinking market. For instance, in U.S. News & World Report of February 19, there appears an interview with the president of American Airlines, Mr. C. R. Smith. He was asked about the present rate of growth of the number of people who fly. He replied:

Growth was about 1 percent last year.

That is about half the rate of growth of the population. But now we come to a more significant and damaging revelation. The question was posed:

What percentage of the population in this country travels by air?

Answer. The number of people who have taken a trip in a year would be somewhere in the neighborhood of around 10 percent of the population, or number of people who make up the bulk of the air-traveling population is much smaller than that.

Further Mr. Smith says:

Now, when you get through analyzing what they (the public) are really talking about, you'll find a schedule where they have thrown away those thousands above them down to 1 1/2 to 2 cents a passenger-mile, which is about 65 percent of what it costs to go on a bus. If you can sell air transportation competitively on the basis of 2 cents a passenger-mile, you don't have much chance of getting those people.

Question. How much is air travel per mile, say, 500 miles?

Answer. It averaged to about 6 cents per mile last year. In general, the longer the distance the lower the price per mile.

Are businessmen your principal customers?

Answer. Oh, yes, they always have been. In our own company, business travel is fairly close to two-thirds of our passenger travel.

In a recent study—"Airline Market Research Over a Decade"—excerpts from studies by Robert A. Peattie, Jr., director, marketing research and development, American Airlines, Inc.—Mr. Smith's salient facts were sharpened by these findings:

Over half the U.S. population doesn't travel at all. Of the total U.S. population 78 percent has never flown in a commercial airline. About 8 million people constitute the air traveling public. Of this number, only 15 percent, 1,200,000, fly with some frequency, providing the real base for the aviation market. They account for 64 percent of the travelers.

I quote from the Peattie report:

The current air travel market is primarily a business market, with a high proportion of corporate and departmental travel by individuals and technical personnel in above-average income groups. Half of them have an income of over $10,000 per year. Eighty-six percent of their travel is expense-account travel.

In other words, we are apparently maintaining this air transportation system for the benefit of the traveling businessman who writes off 52 percent of ticket cost as a business expense. What Mr. Smith is describing is an elaborate and luxurious service being nourished by subsidy for the purpose of serving the elite, and it is losing money. It is as if the Department of Agriculture develops a起飞 programme and distributes its multimillion-dollar subsidies to promote the orchid industry.

This recalls the Senate Interstate Commerce Investigation into the airline industry. In the last Congress when American Airlines testified:

We do not believe we can presently engage in coach service * * without consequent loss.

And United Airlines chimed in:

We just cannot afford to take the chance in aircoach.

These carriers were then before Congress pleading for subsidy, and were fighting against the suggestion that they adopt aircoach to fill empty seats. The nonscheduled carriers, then running profitable operations, testified that what these carriers needed was not subsidy, but passengers.

One often hears the question, why do the big carriers deliberately price themselves out of the market? Why do they charge such a high rate? Is it true? I do not know the answer, except that it seems to be one of the psychological quirks of the monopoly mind to obtain a scarcity, to seek a low-productivity situation, and to rely on spiraling prices and higher rates to save them. They may sincerely believe that each rate increase will dig them out of losses.
can no more explain this thinking than I can explain the lemmings' flight to the sea.

Last week, on March 23, under the able chairmanship of Representative Celler, Antitrust Subcommittee No. 5 of the House Judiciary Committee published a staff study on the proposed merger of Eastern and American Airlines.

This study raises some very vital questions, not the least of which is the obvious one that "if lines. . .

...preserve? Of course, should this come... of the House Judiciary Committee... able chairmanship of Representative Celler...

...and their holdings of convertible debentures combine to give these major lenders the power to influence the destinies of the airlines. Interlocking directorates and other close relationships between the lenders and the airlines provide an opportunity for the banks to exert their influence. Indeed, persons closely related to the lenders acted for American and Eastern in suggesting and negotiating the merger now proposed.

Mr. President, I shall not attempt to prove a conspiracy to establish a monopoly. All one can do, without a full investigation, is to relate the facts, the coincidences, the interlocking personalities involved, and their inherent in some measure of free enterprise. Inherent in some measure of free enterprise, and the monopoly carriers will congratulate themselves on their daring in taking such risks.

Mr. President, I therefore hope that the appropriate congressional committees and most particularly the Senate and House Antitrust and Monopoly Subcommittees, will conduct a full probe of monopoly in air transportation, including, of course, a thorough examination of the role of all regulatory agencies involved, and the role of the military procurement agencies as well.

Also, that such inquiry may begin without delay and, that in the meantime the Congress will make no final decision regarding the supplemental carriers and their future, other than steps to tighten safety. There is nothing deadlier than a dead small business, and we must be very certain that we in no way legislate in such a way as to forestall future entry to the sky. The issue is not whether it be these 20-carrier specialists who fly, but whether we sustain or reject the principle and the values inherent in some measure of free enterprise in the American aviation industry.

AUTHORIZATION FOR APPROPRIATIONS FOR ARMED SERVICES, 1963

The Senate resumed consideration of the bill (H.R. 9751) to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for armed services, and for other purposes.

Mr. RUSSELL. Mr. President, may we have the yeas and nays ordered on the passage of the pending bill?

The PRESIDENT. The question is on the passage of the bill. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. Furlong], the Senator from South Carolina [Mr. Johnston], the Senator from Utah [Mr. Moss] are absent on official business.

I also announce that the Senator from New Mexico [Mr. Chavez] is absent because of illness.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. Furlong], the Senator from South Carolina [Mr. Johnston], the Senator from Utah [Mr. Moss], and the Senator from New Mexico [Mr. Chavez] would each vote "yea."

Mr. HICKENLOOPER. I announce that the Senator from Maryland [Mr. Butler], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from California [Mr. KENSION], and the Senator from Massachusetts [Mr. Saltonstall] are necessarily absent.

The Senator from Maryland [Mr. BEALL] is detained on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], and the Senator from Iowa [Mr. MILLER] are necessarily absent.

If present and voting, the Senators from Maryland [Mr. Butler] and Mr. BEALL, the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from California [Mr. KENSION], and the Senator from Massachusetts [Mr. Saltonstall], the Senator from Kansas [Mr. Carlson], the Senator from Illinois [Mr. Dirksen], the Senator from Arizona [Mr. Goldwater], and the Senator from Iowa [Mr. Miller] would each vote "yea."

The result was announced — yeas 85, nays 0, as follows:

[No. 42 Leg.]

YEAS—85

Aiken ... Bartlett...

Bible
CONGRESSIONAL RECORD — SENATE

1962

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Boggs
Hill
Neuberger
Burkard
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Pastore
Bush
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Pearson
Byrd, W. V.
Jackson
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Byrd, W. V.
Jackson
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Cannon
Javits
Proctor
Carroll
Jordan
Randolph
Case, N. J.
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Scott
Cooper
Leach
Smathers
Curtis
Long, Mo.
Smith, Mass.
Dodd
Long, Ga.
Smith, Maine
Douglas
Long, La.
Sparkman
Dweorshak
Magnuson
Stennis
Eastland
Mims
Symington
Eldender
McCarthy
Talmadge
Engle
McClellan
Thurmond
Evans
McGovern
Tower
Fong
McNamara
Wiley
Ford
McIntosh
Williams, N. J.
Gruening
Monroney
Williams, Del.
Harker
More
Yankton
Hartke
Morton
Young, N. Dak.
Hayden
Mundt
Young, Ohio
Hickenlooper
Moyni
Young, S.
Hickey
Muskie

NAYS-0
NOT VOTING-45
Beall
Clay
Saltonstall
Butler
Cotton
Johnston
Capehart
Dirksen
Kuchel
Chafee
Fidler
Miller
Charges
Coldwater
Moss

So the bill (H.R. 9751) was passed.

CONSIDERATION OF SUPPLEMENTAL APPROPRIATION BILL—LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President—Mr. HOLLAND. Mr. President, will the Senator from Montana yield for a question?

The PRESIDING OFFICER (Mr. Hickey in the chair). Does the Senator from Montana yield to the Senator from Florida?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I beg to advise the distinguished majority leader that the Appropriations Committee has today reported the second supplemental appropriation bill. I am sure a great many Senators have an active interest in one or more of the items contained in the bill, and that therefore they would appreciate a discussion of the time for the consideration by the Senate of the bill. Has the majority leader set such a time?

Mr. MANSFIELD. Yes. I may say to the distinguished senior Senator from Florida that, after contacting various interested parties, it has been decided to have the Senate consider the supplemental appropriation bill the coming Monday.

Let me also say, for the information of the Senate, that also today the Senate will consider a number of items; and that perhaps the Peace Corps bill will be laid down and will be made the unfinished business.

On tomorrow, the Senate will proceed with the consideration of the Peace Corps bill. However, it is very likely that before the Senate begins the debate on that bill, Executive Calendar No. 5, Executive K, 87th Congress, 1st session, the International Convention for the Safety of Life at Sea, 1960, will also be brought before the Senate. So the Senate will take a vote on that treaty.

There may be, on tomorrow, a vote on the Peace Corps bill, although I do not know about that as yet.

Also, on tomorrow, at approximately 12:15, the Senate will leave in a body to join the other body in the Hall of the House of Representatives, to hear an address by the Shah of Iran.

That is about the program, as I now understand it.

Mr. HOLLAND. I thank the Senator from Montana; and I hope that all Senators who are interested in items in the supplemental appropriation bill will take note of the announcement just now made by the majority leader.

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

Mr. MANSFIELD. Mr. President, this country has very few friends who have worked with us as partners in the struggle against communism as long and as definitely as has Iran. I hope as many Members of the Senate as possible will pay their respects to the Shah tomorrow.

I thank the majority leader.

HOM HONG HING

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1227, House bill 2968.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 3008) for the relief of Hom Hong Hing, also known as Tommy Joe, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word “fee,” to strike out “Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.”

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1290), explaining the purpose of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Hom Hong Hing, also known as Tommy Joe. The bill provides for the payment of the required fees. The bill has been amended to remove the requirement that an appropriate quota number be deducted from the United States is married according to Chinese custom to a U.S. citizen.

EXTENSION OF TIME FOR FILING REPORTS UNDER PUBLIC LAW 86-272

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1280, House bill 10045.

The motion was agreed to; and the bill (H.R. 10045) to amend Public Law 86-272, as amended, with respect to the reporting date, was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1310), explaining the purposes of the bill:

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

STATEMENT

Public Law 86-272 precludes a State from imposing an income tax upon a business where the only activity within the State is either (1) soliciting orders within the State, or (2) using an independent contractor to make sales in the State. This statute also provides that the Committee on the Judiciary of the House of Representatives and the Committee on Finance of the U.S. Senate shall make full and complete studies of all matters pertaining to the taxation of the States, the Internal Revenue Service, and the States of income derived within the States from the conduct of business activities in interstate commerce. Consequently, the committee may order that the committee shall report to their respective Houses on or before July 1, 1962.

In the enactment of Public Law 86-272, it was decided by the Committee on the Judiciary to delay commencement of the study until such time as had been set aside to allow the opportunity to gain some experience with the operation of the substantive provisions of that statute. Consequently, the study was not begun until June 1962.

In the interim, problems arose relating to sales and use taxes similar to the State income tax problems. In view of the enactment of Public Law 86-272, a number of bills were introduced, in both Houses, to restitute some of the problems which require the collection of use taxes. The complexity of the problems involved and the interrelationship of the various forms of State taxation led Congress to amend Public Law 86-272 in 1961, to broaden the scope of the study from State income taxation alone to taxation of interstate commerce by any State. Although the study was thus greatly enlarged, the time allotted to its completion remained the same.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1282, House bill 9778.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 9778) to provide for the free entry of certain steel and steel products donated for an addition to the Chippewa County War Memorial Hospital, Sault Ste. Marie, Mich., which had been reported from the Committee on Finance, with an amendment, on page 1, after line 8, to insert a new section, as follows:

FREE ENTRY OF STEEL DONATED FOR CHIPPEWA COUNTY WAR MEMORIAL HOSPITAL

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1282, House bill 9778.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 10043) to amend Public Law 86-272, as amended, with respect to the reporting date, was considered, ordered to a third reading, was read the third time, and passed.
amended by adding at the end thereof the following new paragraph:

"PAR. 1827. Records, diagrams, and other data with regard to any business, engineering, or exploration operation conducted outside the United States, whether on paper, cards, photographs, blue prints, tapes, or other media.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to provide for the free entry of certain steel and steel products donated for an addition to the Chippewa County War Memorial Hospital, Sault Sainte Marie, Michigan, and to provide for the free entry of certain steel and steel products donated by the Algoma Steel Corp., Ltd., Sault Ste. Marie, Canada, and imported for use in the construction of an addition to the Chippewa County War Memorial Hospital, Sault Ste. Marie, Mich."

PUPPOSE OF THE BILL

The Chippewa County War Memorial Hospital, located in Sault Ste. Marie, Mich., is a public, nonprofit hospital which serves the people of Sault Ste. Marie, Mich., and Sault Ste. Marie, Ontario, Canada. This hospital is building an addition to its existing facilities, and the funds for such addition are being raised by public subscription.

The Algoma Steel Corp., Ltd., of Sault Ste. Marie, Ontario, Canada, has undertaken to donate approximately 128 tons of high tensile strength structural steel for use in the construction of this addition to the hospital. Although the steel will be in the form of a gift to the hospital and would be used in the same city, it would cross the border where such crossing is restricted. The Finance Committee feels that, in this case, the steel should be entered free of duty and recommend that the bill as amended be passed.

The amendment would clarify a situation now causing extra work for the Bureau of the Census and putting a burden on business firms with overseas branches. Data with regard to business, engineering, or exploration operations conducted abroad and brought back to the United States for consideration by the executives of the firm may be subject to various rates of duty depending more on the type of material upon which the data are recorded than on the content or meaning. These records are not salable, their customs valuation is frequently in doubt, and they are often troublesome to some for business firms as well as for the Federal Government.

ALVIN R. BUSH DAM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1283, House bill 6976.

The motion was agreed to; and the bill (H.R. 6676) to designate the Kettle Dam on Kettle Creek, Pa., as the Alvin R. Bush Dam was considered, ordered to a third reading, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1320), explaining the purpose of the bill.

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

PURPOSE

The purpose of H.R. 6676 is to change the name of the Kettle Creek Dam on Kettle Creek, Susquehanna River basin, Pa., to the Alvin R. Bush Dam, and any law, regulation, map, document, record, or other paper of the United States in which such dam is referred to or other name or designation shall be held to refer to such dam as the "Alvin R. Bush Dam."

GENERAL STATEMENT

The Kettle Creek Dam is under construction by the United States Bureau of Reclamation in accordance with the recommendations of the Chief of Engineers in House Document No. 29, 84th Congress, 1st session, as a unit of the comprehensive flood-control plan for the protection of the West Branch Susquehanna River Valley. Construction was initiated in May 1959 and is scheduled for completion in June 1962 at an estimated cost of $6,600,000.

The earth-fill dam will have a height of 185 feet above the streambed, an average height of 120 feet above the streambed, and 1,380 feet, with controlled outlet works and uncontrolled spillway in the right abutment. The reservoir formed by construction of the dam will extend 8.8 miles upstream on Kettle Creek in Clinton County, have an area of 1,430 acres, and a storage capacity of 75,000 acre-feet at spillway crest. The reservoir will control the runoff from a drainage area of 250 square miles, or about 90 percent of the basin which is included, with a storage capacity equal to 0.22 inches of runoff from the drainage area above the dam.

The project is the first unit of flood control on Kettle Creek below the dam and of the West Branch below the mouth of Kettle Creek. Renovo, the first urban center downstream from the dam, will receive the major flood-control benefits from Kettle Creek Reservoir, but as a unit of the basin plan for the West Branch of the Susquehanna River, the reservoir will aid materially in the reduction of the flood stages at all downstream points.

Hon. Alvin R. Bush ably served the State of Pennsylvania and the Nation in the U.S. House of Representatives from January 3, 1939 until his death on November 5, 1969, and as a member of the Committee on Public Works, was instrumental in securing the authorization of the project, and also in fur-
now proceed to the consideration of the nominations reported today from the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations will be stated.

ASSOCIATE JUSTICE OF U.S. SUPREME COURT

The legislative clerk read the nomination of Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court of the United States.

Mr. CARROLL. Mr. President, as a member of the Judiciary Committee, I was present at the committee meeting earlier today. I would say that with the exception of only one or two members of the committee, all the committee members were present at the hearing to consider the nomination of Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court of the United States.

I have spoken about the hearing to some of the senior members of the committee, and I would say that undoubtedly the hearing was a remarkable one. No one appeared there in opposition to the nomination.

Mr. White's nomination has the endorsement of the American Bar Association, and its representatives have stated that Mr. White is exceptionally well qualified to serve in this position. In the committee, Mr. White also has the support of the Colorado bar and of the Denver bar. In fact, favorable reports on the nomination have come from all over the Nation.

This is one of President Kennedy's most outstanding appointments.

Of course, we in Colorado are specially proud today because Byron White is a native son. As a member of the Colorado bar, he has had a distinguished career for 20 to 25 years. He is an outstanding lawyer with all the necessary wisdom, temperament, and intellect to one day make him one of the great Justices of the Supreme Court.

Byron White is completely dedicated to the study and practice of the law. Nothing has deterred him from this goal. From his college days to this day his life has been shaped and directed with an all-consuming devotion toward practicing law. Now we will have the benefit of this consummate devotion applied to the questions of law brought before the highest tribunal of justice in the land.

This devotion, this habit of calm, hard, fair appraisal will serve him well in his academic career. Through his service as Deputy Attorney General, he has had an opportunity for 15 months to examine, evaluate, and add character and devotion to his duties in the high position which he now holds.

None of us who have known him for 20 to 25 years feel that Byron White would pay a similar compliment to the Senator if he were permitted to do so this evening.

The appointment was more than merely selecting a man who was Deputy Attorney General. It was pointed out in the committee that the appointment was a symbolic tribute to the youth of our Nation. Byron White is not an athlete, but he was a cum laude student in his academic career. Through his service as Deputy Attorney General, we have had an opportunity for 15 months to examine, evaluate, and add character and devotion to his duties in the high position which he now holds.

This nominee will be one of the finest appointments of President Kennedy.

Mr. KEFAUVER. I am happy to yield to the Senator from Tennessee.

Mr. CARROLL. I am happy to yield to the Senator from Tennessee.

Mr. KEFAUVER. I join the Senator from Colorado in paying high tribute to the nomination of Byron White. I have long admired him and respected him as a student, as a lawyer, and as deputy attorney general of the United States.

Mr. Bernard Segal, chairman of the Judiciary Committee of the American Bar Association, made a very strong statement about Byron White.

I join the distinguished Senator from Colorado in predicting that Byron White will have an eminent career as a member of the Supreme Court. Those of us who have observed his activities in the past year or so are convinced that he belongs in the Supreme Court, and a half certainly wish him well in his new position.

Mr. CARROLL. I thank the Senator from Colorado for his very kind and gracious remarks. I am sure Byron White would pay a similar compliment to the Senator if he were permitted to do so this evening.

The nomination of Mr. White also has the endorsement of the American Bar Association, and its representatives have stated that Mr. White is exceptionally well qualified to serve in this position.

Mr. RUSSELL. Mr. President, I do not rise to discuss the nomination of Mr. White. I understand his nomination has been unanimously reported by the Judiciary Committee, and knowing the diversity of views of the members of that committee, that fact in itself is a great tribute to the nominee.

I understand the American Bar Association, in its rating of his qualifications, accorded him the highly complimentary rating of especially well qualified. I shall, therefore, vote for his confirmation.

I wish to say just a few words about the composition of the Court in general. We have recently had a very momentous decision by the Supreme Court in the so-called Tennessee case. That case has brought to the fore the question of fair and equal representation as between freemen in this Republic.

Immediately after the so-called Tennessee decision was handed down, the President of the United States, at a press conference, said that the right to fair representation is basic. In my judgment, there is a very large segment of the population of this country that does not have fair representation whatever it is on the Supreme Court of the United States at this time. I am speaking not only of geography, but of legal philosophy.

Millions of people in the United States—and they are not all residents of the section of the country from which I come—have found a great deal of fault with the trend of the Supreme Court in recent years toward expanding the Constitution, playing on it as if it were an accordion, and undertaking to rewrite the Constitution through judicial determination.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. I invite the Senator's attention to the fact that one of the conservative members of the Senate is the Senator from Tennessee, and who is coming to the District Court of Appeals in Washington, made a speech, after the confirmation of his appointment to a judgeship in the District Court, in which he spelled out that it was his clear duty on the part of the judiciary to legislate, a clear duty to make changes in our judicial and political way of life, which some of us never believed was the intention of the founders of this form of government.

Mr. RUSSELL. That is what I am complaining about now—the tendency to make sociological rulings on legal matters. I am not complaining about this nominee. As I have said, I know very little of Mr. White, and all I have heard about him is good. I apprehend that, in the beginning at least, his views will be somewhat colored by his associations in the Department of Justice, but he is undoubtedly a man of all-consuming devotion toward trust in the courts, and he will make as great a Justice as the Senator from Colorado [Mr. CARROLL] has indicated.

What I am talking about is appointing to the Supreme Court of the United States at least one conservative. It would not hurt in the least if he were a man who had had some judicial duty and experience who might help if he had practiced law and had been before the courts, and if his experience had not been confined to merely holding political office.

There are at least 40 or 50 million conservatives in the United States. All I am asking for is that, when there is another vacancy on that bench, the President will appoint from one-ninth representation on the Supreme Court of the United States.

We hear much talk about equalizing and equality, but it seems to me the only time talk about equality means anything is when it is going to benefit certain groups, certain individuals, and certain people who come up for election to public office from time to time.

I am speaking now of the basic question of the Constitution of the United States as it is written. It has been many years since a genuine conservative constitutionalist was appointed to the Supreme Court of the United States. I think people who believe in the Constitution, who believe in such a thing as the doctrine of stare decisis, who believe that some attention should be paid to the precedents of law, who believe in following prior decisions of the Court, are entitled to have one man on that bench.

The Supreme Court is moving into the legal philosophy of today. As from Louisiana has pointed out, a judge has been appointed to the Court of Appeals in Washington who believes the courts should legislate. Those attitudes are the very foundations of our Government and are destroying our system of checks and balances that have permitted us to enjoy this goodly life and our civilization.
U.S. DISTRICT JUDGES

The legislative clerk proceeded to read sundry nominations of U.S. district judges.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be confirmed en bloc.

The nominations confirmed en bloc are as follows:

William B. Jones, of Maryland, to be U.S. district judge for the District of Columbia; George Tempier, of Kansas, to be U.S. district judge for the District of Kansas; George N. Beam, of Indiana, to be U.S. district judge for the northern district of Indiana; John Weld Peck, of Ohio, to be U.S. district judge for the southern district of Ohio; and Robert Shaw, of New Jersey, to be U.S. district judge for the district of New Jersey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President pro tempore be informed of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PEACE CORPS ACT AMENDMENT

The Senate resumed the consideration of the bill (S. 2935) to amend the Peace Corps Act.

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is the proposed amendment to the Peace Corps Act.

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be a further business tonight, and no voting. As soon as Senators who have remarks and speeches to make have completed them, it is planned to have the Senate adjourn until 12 o'clock noon tomorrow.

LABOR-MANAGEMENT COOPERATIVENESS IMPROVES CLIMATE FOR INDUSTRY IN WEST VIRGINIA—STATE'S SELF-HELP EFFORTS APPLAUDED

Mr. RANDOLPH. Mr. President, it is my privilege to report a significant event on March 24, 1962, at Parsons, the county seat of Tucker County, W. Va.

On that date, Local Union 1051 of the Textile Workers Union of America, AFL-CIO-CLC, sponsored a recognition event in honor of Richard Rubin, chairman of the board of Dorman Mills, and Hugh Brown, international representative of the Textile Workers Union. The dinner, attended by 255 persons, was held at Parsons High School and was served by the High School Band Parents' Club.

The Dorman Mills plant is the Parsons community's principal source of direct employment. That it has been perpetually a cornerstone for the development of the company and the town is a tribute to the validity of the program of the Reconstruction Finance Corporation of an earlier era and to the cooperation of the family, the Tucker County Bank, and its persevering president, Hubert B. Lake.

I vividly remember that during my first two terms as a Member of the House of Representatives from the district which embraces Tucker County, the Dorman Mills, like many other businesses and industries in that depression period, faced near-bankruptcy. Working cooperatively with management and Mr. Lake, then cashier of the Tucker County Bank, we arranged in 1933 an RFC loan with local bank participation. Instead of being liquidated and closing, the Dorman Mills continued in business, overcoming its financial problems, and grew to be a healthy industry.

Mr. Rubin came into the management of Dorman Mills prior to the death of one of the founders, Franklin Dorman, in 1957. After the death of the latter, Mr. Rubin acquired his prior holdings and became chairman of the board, with Mr. Lake assuming the presidency. Approximately $1 million had been invested in new equipment, machinery, and buildings since 1957. With product and market improvement, employment increased from 127 to 212 and Dorman Mills went on a 6-day week, around-the-clock with three shifts daily, as of April 2, 1962.

The purpose of the recent celebration, the local union sponsored, was "to express thanks and appreciation to Mr. Rubin and Mr. Brown for their efforts and results as a consequence of management and union working together to provide continuous work for the union members."

A spokesman for the union's officers said that "in these days of strikes and rumors of strike, it was appropriate to remember proper relations. It is important to cooperate together, and to change any fallacious outside image of labor conditions in West Virginia. The dinner was a demonstration that West Virginia labor unions are interested in working with management for mutual understanding and good relations."

Paul N. King, president of Textile Workers Union No. 1051, presided at the event. Joseph R. Gilmore, member of the House of delegates of the West Virginia Legislature and president of the Parsons Chamber of Commerce, presented framed copies of James H. Inglis and Leigh Hunt's poem, "Abou Ben Adhem," to Mr. Rubin and Mr. Brown. President J. Kenton Lambert of the Cheat Valley Development Corp., presented life honorary memberships in the Holly Meadows Country Club to the two honor guests, and noted that, as another mark of progress in the Parsons area, the country club is the only one in the Nation converted from a county poor farm.
The union president and the company president justifiedly joined in commenting that the "loss of the dinner and the tendency toward granting free passes as good omens of what prospective plant managers can find in labor relations in West Virginia."

Mr. President, I associate myself with those remarks, and I call attention again to a letter I received on November 9, 1959, from John P. Russo, then the plant manager of Metalab-Labcraft Corp. Among our activities, with Phil Goldman as president, we sought new industries for the county and were successful in procuring the division of Norbute Corp., to utilize both West Virginia natural resources and our citizens' skills and labor. Our industrial development corporation procured a site near Beverly and erected a plant facility.

Two years after Metalab-Labcraft began operations, I received the communication from Mr. Russo in which he expressed his belief in the industriousness and adaptability of West Virginians. He reminded me that his firm, at the time of the establishment of the plant in West Virginia, had a backlog of orders which amounted to several million dollars. But he wrote, "we had no trained source of labor and were engaged in fulfilling these contracts with no qualified personnel," and he then added:

The most remarkable fact concerning this situation was that we employed immediately approximately 76 persons with no past experience or skills in our industry and within the period of 6 months we produced all of the items required for our backlog of work at that time. To me, as the operating head of this division, it will always stand out as a tribute to the native intelligence and capabilities of the workers in our area. Furthermore, our payroll had a substantial demonstrated and experience in the mining industry and in timber production. Notwithstanding, we had to start completely from scratch by a new entrant in a very competitive field to a position commanding authority and respect by the leaders in our industry.

Mr. Russo pointed out that he had been in the industry 24 years and during that time had been located in eight different parts of the country where he had been "exposed" to the qualifications, capabilities, and aptitude of the labor pool in those areas. Then he noted:

I say without equivocation that I have never before seen a group of people who have combined their zeallessness, attitude, cooperation and native capabilities, to achieve the results which you have demonstrated here [in our West Virginia operation].

It was expected that the labor supply here would be of such a caliber that a training period would be necessary, and it was estimated that before we reached the competitive level in our industry, insofar as quality of production was concerned, that at least a year would be required. I am delighted to say that it took us just about half that time to arrive at a point in production which made us competitive with others in the industry.

Mr. President, the labor-management experience which related us to the Dominion Mills at Parsons and the Metalab-Labcraft facility at Elkins, are excellent examples of harmonious relationships which exist within industry in West Virginia.

But these individual examples are buttressed by facts and statistics of a broader nature as disclosed by Secretary of Labor Martin in his recent address in Fairmont, W. Va., where Melpar, a division of Westinghouse Air Brake, recently established a new plant.

Secretary Goldberg indicated that some industries might hesitate to locate in West Virginia because of a belief that some areas have been labeled as being "strike happy."

But the Secretary of Labor revealed that during the 1-year period from 1953 to 1960 industry in West Virginia lost an average of only 0.37 percent of total working time as a result of labor-management relations. An agency in 1 day normally lost .10 percent per year, on the average. This loss ratio, his statistical report showed, was considerably less than most neighboring States and only slightly above the national average.

While that situation relates to the 8-year average up to 1960, Secretary Goldberg noted that "perhaps more significant in dispelling any notion of strike proneness was the record for the year 1960, the latest for which data are now available."

In 1960, he said, "the strike-loss ratio for West Virginia amounted to 0.10 percent, which was below the level of all neighboring States, and even significantly below the U.S. total of 0.17 percent."

Mr. President, we have suffered from chronic unemployment in severe degree in West Virginia and there has been a substantial attrition in our labor force. These conditions, however, have not been the result of any decline in worker-employer relations. The fact is that the contrary is true. Labor-management understanding and the strike-loss ratio have both improved substantially. Our problems are essentially from the necessary rapid pace of mechanization in our basic coal mining industry and from automation generally.

To meet competition from other fuels—particularly from foreign residual fuel oil unfortunately permitted by policies of Government to be imported into our country in excessive quantities—our West Virginia industries were forced by foreign competition to mechanize so much that our coal-producing States, and in particular West Virginia, but in other coal producing States as well, was forced to quicken the pace of mechanization. This accelerated the rate of unemployment in coal and coal-related business and industries in areas of the State where terrain and other factors mitigate against the establishment of replacement industries to provide payrolls and jobs equivalent to those displaced.

We are making progress, even though it is not at the rate necessary to overcome in a substantial degree the high level of unemployment. I am confident of the impact of consistently increasing automation in recent years.

At the time of passage of S. 1991—the Manpower Development and Training Act—I suggested that it might well be a part of the administration's program for improvement of the economy and as a means to help solve the unemployment problem.

In West Virginia we are vocational training and aid, and we are aware of the administration's program because we recognize in these programs necessary means to the end of helping to overcome chronic joblessness. As we know of the President's industrial complex and to stimulate the economy, we must develop our manpower resources in full measure. We realize this will require extensive retraining of many of our available workers.

I am again reminded of a pertinent editorial comment in the March 4, 1962, issue of the Charleston Gazette. I reprinted the editorial which pointed out that the problems and hardships of the automation era which have plagued West Virginia are likewise being experienced in some degree in other States—indeed, in some cases are outstripping the prospects for attracting new processing and conversion type industries.

The editor wrote:

Mr. President, we need in West Virginia the benefits which accrue from Federal-State participation programs such as the Manpower Development and Training Act and the Area Redevelopment Act. We are also grateful for the Small Business Administration and its helpful loan programs, as well as the activities which stem from the Housing and Home Finance Agency and other agencies and departments of the Federal Government. And we are always hopeful that our industries, our businesses, and our people will be able to participate more equitably in the distribution of defense procurement dollars. Some segments of the press malign us for our aspirations in these respects; others suggest that we are discouraged and discontent because our State has not moved faster to provide our State and her people with more of the fruits which accrue from the tree of Federal programs. On balance, we know that progress is being made.

Occasionally, however, the sturdiness, the fortitude, and the characteristics of self-reliance of the "Mountainers" are duly recognized.

In this connection, I call attention to an editorial from the April 7, 1962, issue of the Fairmont (W. Va.) Times which comments on and quotes from interesting editorials from recent issues of the Annapolis (Md.) Evening Capital. I request unanimous consent that this editorial be printed in the Record.

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

STATE'S SELF-HELP EFFORTS GAIN RECOGNITION

West Virginians have been accustomed to reading unpleasant things about themselves...
and their State—and getting extremely up­set at the notion that there are so-called visible publicity borders on the realm of head­line news.

This comes from as widely separated communities as Palm Beach, Fla., and An­napolis, Md., such kind attention approaches the classification of seminal accounts. But the writers and the editorialists from those cities forwarded to the Times disclose there is sufficient similarity between the two sets, that the writers and the editors have received identical information concern­ ing West Virginia's efforts to get itself back on its feet in the State of West Virginia, and boy! better make that two dozen roses instead of one. Those people deserve con­ gratulations. They have done a great job. The rest of the country who backbone and self-help and self-pride really is.

This is the kind of publicity that West Virginia can use in ever-increasing quanti­ ties. It's good to know that proper recog­ nition is finally being given us.

STEEL PRICE INCREASE

Mr. HARTKE. Mr. President, it was with a very heavy heart I heard the news of the steel price increase, especially in view of the fact that approximately 20 percent of the steel of the United States is produced in my home State of In­ diana.

I believe the people of the United States basically were rather satisfied and felt relieved when the recent announce­ ment was issued to the effect that the steel union and management had en­ tered into a contract, and there was to be no increase in wages, except for some fringe benefits for certain employees.

It was felt that the agreement would be arrived at under the direction and encouragement of the President of the United States, and I compliment him for so doing. The Sec­ retary of Labor, Mr. Goldberg, was also one of the driving personalities who recognized that another steel strike sim­ ilar to the last one could have only pos­ sibly disastrous results for the economic recovery we now have with us.

We observed that immediately after the previous steel strike, at least as a contributing factor to the steel strike, there was to some extent, possibly, an acceleration of the coming recession.

Everyone thought, this time, that the results would be fine and good for the coun­ try, and that we could go about our business as usual. This feeling was shattered by the news of the steel companies coming forward with an announcement of an immediate in­ crease in the cost of steel. The increase of price was not a sufficient pro­ portion to any concept of any individ­ uals or groups as being necessary.

I hope that those who made this de­ cision, on the part of steel management, will reconsider, realizing that they, too, have an obligation to their communities and to society.

Fearful that they may not reconsider, I urge them at least to give considera­ tion as to what they are doing to America.

They have complained about losing their competitive advantages and their competitive position with respect to overseas production. I know the sympa­ thy of many people, which was with them when the settlement was agreed upon a few weeks ago, may now be lost at least temporarily, and perhaps, with regard to the future.

It is an unfortunate thing to happen to the United States, steel being a basic indus­ try. It is an unfortunate thing for the people of my State, West Virginia. And I say to my friends in the steel industry, "Reexamine your position. Think back."

I am sure that they not alone would have the best wishes of the people of the United States, but also would serve the interests of their own stockholders if they would reconsider and withdraw the intention to increase the price of steel.

NEED TO RESTORE AMERICAN MERCHANT MARINE

Mr. BARTLETT. Mr. President, I hope the President's message on trans­ portation, recently sent to the Congress, marks the beginning of the end of an era of neglect of our transportation system. It is perhaps understandable, but nonetheless tragic, that the attention of past administrations and the public should have been diverted from this bas­ ic face of our economic strength and military preparedness by the more dra­ matic new horizons of space travel and missile weaponry. Therefore, I com­ mend the President who in his message has proposed our reversion to the realities of surface and near-surface movements of men and materials. We have no tools which do more to conceal the various advantages of these forces than the non-existent of forces constituting our military might.

Our economy depends on the ship, the railroad, the truck, the barge, the plane, the bus, and the automobile. We should reorient these essential activities in such a manner as to stand a real concern for the orbit and the moon. On the basis of the President's message, I am assured that this will not happen.

Moreover, I feel also that we cannot any longer afford, in the world struggle on basic ways of life, with the intricate role transportation plays therein, the time-committing luxury of treating our total transportation system as an iso­ lated part of our real strength or the concern entirely of the carriers.

Nothing in America's free enterprise system daily touches more people from Alaska to Florida, from Hawaii to Maine, than our workaday transportation means.

As the President has recognized, we must end the preoccupation of the past which has produced patch-quilt practices and neglected a real system. We must stop subdividing this into this hole and that one and another gap in some other media the next, as we have been doing. The time has come to build anew on the basis of what we now have. There is a rich and proud tradition for all America in the pony express, the covered wagon, and ships of sail. Our tools and tech­ nology have changed dramatically but our transportation policy remains unco­ ordinated.

Within this framework I believe the President's message is perspectivel and progressive. I endorse much of what he recommends.

Nevertheless, I am struck by the fail­ ure of the message to include specific recommendations in several critical areas in domestic shipping. I hope that the Senate can meet to correct this pressure of time and is to be corrected and elaborated upon in the near future by a special message on these other mari­ time transportation matters. The new governmental studies now underway are available.

Few would dispute that our merchant marine is a vital part of our transporta-
tion system, thus of our national strength and security. Yet today ours is an unbalanced fleet and an inadequate one. This deficiency is all the more obvious in this the most critical era of our Nation's history.

In terms of pure national survival this shortcoming is meaningless, but only so if we are convinced that we are on the precipice of a thermonuclear war. Although this route to human disaster is a possibility for which we must be prepared and our President wants U.S. military forces to be capable of taking action in any direction and form that international conflict may require, the erosion of our coastal and intercoastal trade or defense, although less so than early in this same period o·f the last decade, common仍是 substantial increase in statute because of an increasing volume of seaborne trade. No small part of this resistance is caused by national policies and the necessity of maintaining American standards of living. This is achieved in part by developing large merchant fleets where none existed before, or to augment the fleets in the traditional maritime countries.

The significance of sending abroad, in bulk, under established national programs, much of the surplus of our farm productions, import and export requirements along with other activities requiring a substantial increase in our almost nonexistent fleet of bulk carriers.

Second, I must address myself to the erosion of our coastal and intercoastal defense, of which we were once so proud and with which we once were so well equipped, and which because of position were pressed so promptly into wartime emergency service in the past. Hearings were recently held on the decline of this strategic part of our shipping industry. It was reported that just before the outbreak of World War II there was no total of 200 vessels in the coastwise and intercoastal trades. It is estimated that by the close of 1960 there remained a total of 70 ships in this trade, belonging to only 15 vessels remaining in the government.

The Interstate Commerce Commission which has regulatory jurisdiction over these carriers reports that early in 1961 another major line in the trade discontinued its service, thereby again substantially reducing the number of vessels in the trade.

This dislocation has contributed substantially to the lack of balance in our total transportation system. It is a wrong that must be righted. The painfulness arising out of this, its cause and effect, referred to earlier was conducted by the Committee on Commerce under the chairmanship of the distinguished Senator from Washington (Mr. MacAvoy), and on which commodity I have testified. Six major recommendations were made, none of which in my opinion requires legislative effectuation. Far and away the primary point of the six dealt with was the complete supervision of the Interstate Commerce Commission. I urge the administration to consider effectuating all of these conclusions in
consideration of bringing to our consuming public a more balanced transportation system. I feel, however, that we are not in a position to build a sound system if we do not fairly and economically resolve ratemaking issues which are so fundamental to all domestic maritime commerce.

I also consider that a major consideration of our new look at transportation must include our waterborne domestic trade to the States of Hawaii and Alaska and our offshore territories and possessions, particularly the Commonwealth of Puerto Rico and, likewise, Guam.

The loyal and dedicated Americans of these regions find their economies intricately linked with the continental States primarily but also the rest of the free world by shipping.

Alaska's trade is relatively small today in volume but is vital to its well-being and the realization of its vast potential. We are proud of the progress we have already made. Between 1955 and 1960, the value of Alaska's trade increased over 65 percent, and the value of our trade with Japan has expanded most dramatically in the past few years. Between 1955 and 1960, Alaska imports from Japan increased from $200,000 to over $1.3 million, and exports grew from $2.8 million to $15 million. During these years and earlier, we have been blessed also by a period of labor peace in our maritime industry.

Our trade with port cities in the continental States as domestic trade is confined to movements in U.S.-flag vessels. We would not have it otherwise. Perhaps from a very short-range point of view, economies might be realized by opening this movement to any low-cost foreign-flag ships. In short order, however, this would force American-flag vessels off these routes and we would find ourselves dependent on alien vessels and alien flagmen. This movement we prefer to remain serviced by American-flag ships. But this is not without problems. The complications and costs of offshore U.S.-flag domestic service have resulted in extraordinarily high freight rates. The past 10 years in the Alaska trade alone, five general rate increases have been proposed. Last week for the first time a Federal maritime examiner decided that a proposed rate increase for Alaska was unreasonable at least for the future since the dominant carrier received in excess of 19 percent return on its capital invested in the Alaska trade in 1960. The Commission will now have an opportunity to review the examiner's decision and to determine if some measure of restitution is not due the shipping public for these past years. Similar rate increases have seriously affected the economies of Hawaii and Puerto Rico and Guam. Constantly increasing freight rates have severely taxed the limit, if not frustrated entirely, the realization of the full potential of these areas, particularly Alaska.

Alaska law, as I understand it, I cannot attribute this development entirely to any monopolistic position of an existing carrier in these trades. The water in the noncontiguous trade has been competitively open to all who possessed the initiative and capital to engage in the commerce. During the past few years, the Alaska trade has become increasingly modernized with more economical, efficient, and lower-cost barge and containerized service. Later this year train-barge and train-ship service will enable the Alaska trade promising even more efficient service and, it is hoped, lower transportation costs. One may well wonder if these developments would have come to pass without the healthy pressure of economic competition.

We are proud that this has been achieved without the Federal Government being involved in the business decision of whether a new carrier or means of transportation should enter the Alaska trade. The Federal Government neither gives the carriers any protective operating privilege, nor does it set the rate.

Although recent developments such as more effective regulation by the new Federal Maritime Commission and increased modernization of the Alaska trade encourage the carriers to look to the future, my constituents are today still caught in a position of having to absorb extremely high freight rates into the economy. Now, this is not unique. The whole world of our country faced virtually identical problems except that the distances were not quite so vast and the surfaces involved less liquid. The Government, realizing the economic importance of these trades, has made every effort to bring down these rates. The president, in his message to the 86th Congress, indicated that the Administration's objective was to bring down freight rates in the noncontiguous trade to those levels found prevalent in the contiguous trade. In doing this, he pointed out that his argument is a very strong one. He said in part:

'This must be done not only in fairness to the citizens of the State I represent, but truly in the interest of the people of the entire United States. There is precious little time to be lost. We know of our President's concern in part, because of the community of interest between the United States and the rest of the free world for increasing our export trade and avoiding the serious consequences of economic isolation. In my opinion, it would be a most serious mistake to strive to accelerate our foreign trade without at the same time giving the mechanics for implementing this vital objective. The President has asked the Secretary of Commerce to review specifically the costs of service to our noncontiguous territories. I urge the Secretary, and I offer my full cooperation, to press forward in this matter with great speed and come forward with recommendations to accomplish this objective.'

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Mr. President, in January of this year I addressed a letter to Under Secretary of State, George Ball, the principal author of the President's trade program, requesting the administration's views on this recommendation. The Under Secretary's reply dated February 13 indicated opposition. He said in part:

'The negotiation of agreements that will preserve and expand market opportunities for American producers will undoubtedly prove complex and difficult. If they are to succeed at all, the American representatives must be able to assure their negotiating partners that they are in position to conclude binding arrangements. I am afraid that the element of insecurity implicit in the possibility of a congressional veto could place our trade relations under an almost impossible disability.'

I replied to Secretary Ball on the Senate floor several weeks later and pointed out that his argument is a very limited one. The present structure of the Common Market retains a power roughly analogous to the congressional trade veto in the Council of Ministers of the EEC which has supervisory authority over the Commission which
does the actual negotiating of trade agreements.

The Congress has the constitutional authority in this field.

My rebuttal, then, to the administration is on four counts:

First. The Common Market has an analogous power of oversight by a governmental agency other than that which is directly responsible for the negotiating of trade agreements.

Second. Other countries with which we do business retain to their parliaments a similar power of oversight on trade matters.

Third. Congress has a constitutional right to participate to a greater extent in the business of foreign trade. If we are given a strange precedent in a unilateral cutting authority, then surely we can take steps also to develop innovations in our trade legislation that will give the Congress some say over what is going on.

Mr. President, I would like to be able to determine a two-thirds vote of both bodies of the Congress could only be exercised under extreme conditions, wherein the administration had clearly exceeded the authority granted to it to negotiate trade agreements.

I would make one further point. On March 7 of this year, the administration announced a new tariff agreement with the EEC, the United Kingdom, and 24 other nations of the GATT. Since it was announced and its terms were given to the press, I have heard little, very little, criticism of the specific terms or overall pattern of this agreement. As an illustration that a two-thirds trade veto would only be exercised under extreme conditions, I am quite certain that there is not sufficient congressional sentiment to veto this agreement—of March 7—by a two-thirds vote of both bodies.

I say this by way of showing that a two-thirds trade veto authority would and could only be exercised under the most extreme circumstances. The fact that the GATT agreement would not have been vetoed or have ever come close to being vetoed by a two-thirds vote is a good example.

The power which we are requesting for the Congress is not a power which would be disruptive or diversionary. It is a reasonable request. I am confident that the Congress has the wisdom and the ability in its technical committees to deal with this issue and to make intelligent decisions as to whether the President has adhered to or exceeded the power granted to him by the law to negotiate trade agreements. In a sense, he is negotiating for the Congress, because the Congress has the constitutional authority in this field.

Mr. President, I have made these remarks to bring the Congress up to date as to the controversy, if I may call it that, over the trade veto. While the administration is officially on record as opposed, there seems to be a remarkably little opposition in this House. I therefore want to take this opportunity today strongly urge that the administration reverse its position now. If this is done, if the administration would promote and support a suitable two-thirds trade veto provision, I feel certain that such a move would expand congressional support for the President's trade bill in its present form and would make its passage much less difficult. I support trade liberalization.

In general, I support the administration's proposal to accomplish this purpose. I feel, however, that the trade veto is the one glaring omission which if included would greatly facilitate the process of passing effective new trade legislation and putting it on the books.

Mr. President, I have prepared appropriate language on the trade veto patterned after the reorganization act which contains a very similar provision. I intend to offer this amendment on the floor of the Senate assuming, of course, that nothing is done on this point either in the other body or in the Senate Finance Committee. However, I would definitely prefer to have the administration reverse its position right away, because I believe that the acceptance of a congressional oversight amendment at this time would materially expand support in the Congress for new and effective trade legislation.

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.

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CONGRESSIONAL RECORD — HOUSE

April 11

The House met at 12 o'clock noon.

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

James 4: 8: Draw nigh unto God, and He will draw nigh unto thee.

Almighty God, grant that in the fellowship of prayer our minds and hearts may be cleansed of all sin and be ennobled and exalted by the purifying power of Thy holy spirit.

In these turbulent and troubled days may we learn the secret of a life that remains unmoved by the miseries and mutations of time and finds its strength and serenity in the sanctuary of the eternal.

We penitently acknowledge that we so frequently surrender cowardly to the epicurean ways of life and allow ourselves to become cushioned in complacency.

Inspire us to always take our stand on the side of that which is good and may we have the courage to follow faithfully the path of truth and righteousness regardless of circumstances and consequences.

Hear us in Christ's name. Amen.