

PETITIONS, ETC.

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

561. By the SPEAKER: Petition of Steven D. Hughes, Salem, Oreg., relative to the Congress enacting legislation covering members of the Armed Forces of the United States in the Republic of Vietnam; to the Committee on Armed Services.

562. Also, petition of the Council of the City of New York, relative to its feeling of deepest sorrow at the passing of John Fitzgerald Kennedy; to the Committee on House Administration.

563. Also, petition of Rensselaer County Board of Supervisors, Troy, N.Y., relative to making November 22 a national holiday in memory of the late President, John F. Kennedy; to the Committee on the Judiciary.

564. Also, petition of Henry Stoner, Avon Park, Fla., relative to establishing a list showing next in line for President; to the Committee on the Judiciary.

565. Also, petition of Henry Stoner, Avon Park, Fla., relative to regulating the time, places, and manner of congressional elections; to the Committee on the Judiciary.

566. Also, petition of Henry Stoner, Avon Park, Fla., with reference to a clarification of the phrase "privileges and immunities"; to the Committee on Rules.

SENATE

FRIDAY, DECEMBER 27, 1963

The Senate met at 9 o'clock a.m., and was called to order by the Acting President pro tempore [Mr. METCALF].

The ACTING PRESIDENT pro tempore. Under previous order, the Senate will now adjourn to 10 a.m. Monday next.

ADJOURNMENT TO MONDAY,
DECEMBER 30, 1963

Thereupon (at 9 o'clock and 2 seconds a.m.) the Senate adjourned, under the order of Tuesday, December 24, 1963, until Monday, December 30, 1963, at 10 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 30, 1963

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. ALBERT.

DESIGNATION OF SPEAKER PRO
TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

DECEMBER 30, 1963.

I hereby designate the Honorable CARL ALBERT to act as Speaker pro tempore today.

JOHN W. McCORMACK,

Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 65: 17: *Thou crownest the year with Thy goodness.*

O Thou who art the same yesterday, today, and forever, and unchanging in

Thy love and goodness, hitherto Thou hast blessed us and daily we have been the beneficiaries of Thy bountiful providence.

May we now render unto Thee the tribute of our heartfelt praise for throughout the past year Thou hast been our ever-present guide and companion and hast not withheld from us anything that was needful for our journey.

Grant that the vision of peace on earth and good will among men may never fade and may our determination and desire to make it a blessed reality never fail.

May the Lord bless us and keep us; may the Lord make His face to shine upon us and be gracious unto us; may the Lord lift upon us the light of His countenance and give us peace. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, December 27, 1963, was read and approved.

RECESS

The SPEAKER pro tempore. The House stands in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 2 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 2 o'clock and 50 minutes p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) entitled "An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 14 and 20 to the above-entitled bill.

The message also announced that the Senate had passed a resolution as follows:

S. RES. 241

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed the business of the session and are ready to adjourn unless he has some further communication to make to them.

The message also announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 248. Concurrent resolution establishing that when the two Houses of Congress adjourn on Monday, December 30, 1963, they stand adjourned sine die.

H. Con. Res. 249. Concurrent resolution establishing that notwithstanding the sine die adjournment, the Speaker of the House

of Representatives and the President of the Senate be authorized to sign enrolled bills and joint resolutions.

APPROPRIATIONS AND BUDGET
RÉSUMÉ, 88TH CONGRESS, 1ST
SESSION

Mr. CANNON. Mr. Speaker, under leave granted, I include for information of Members and others a résumé of the appropriations work of the 1st session of the 88th Congress together with pertinent data on the budget and fiscal situation. The appropriations work of the session is concluded but because other actions outside the annual appropriations process affect final budget and Treasury results in any particular year, including the current year, this résumé is in some respects necessarily subject to later revision and updating.

A comprehensive executive summary for the current fiscal year 1964 will be reflected in the new budget from the President next month. That will include:

First. Revised estimates of budget revenues for fiscal 1964 in light of current conditions and outlook. The original budget projection of \$86,900,000,000 has since been informally revised by the Treasury to \$88,800,000,000; it will, probably, be further updated in connection with the next budget.

Second. Revised estimates of fiscal 1964 budget expenditures from all sources, including the effect of appropriation reductions made in the bills of the session as disclosed in the tabulations below. And in this connection, it is to be noted that roughly 35 to 40 percent of annual budget expenditures—disbursements—are from prior year appropriations, and some from permanent appropriations, and are therefore not directly affected by congressional actions in the appropriation bills of the current session.

Third. The effect of congressional action, or inaction, on new legislation urged in the original 1964 budget or subsequently submitted or amended—the original appropriation budget projection for the first year, fiscal 1964 cost of such new legislation was \$2,727,468,000 of which it was indicated some \$1,202,000,000 would, if enacted, be disbursed during fiscal 1964. Some legislation has not been enacted and some was adopted at variance with the budget provisions.

All these factors will join—and they are characteristic of every annual budget—to influence the final results and the budget deficit originally projected at \$11,902,000,000 for the fiscal year 1964 which began last July 1, and more recently informally projected by the Treasury at \$9,000,000,000. Whatever the final deficit, fiscal 1964 represents the 28th year of budget deficits in the last 34 years.

Mr. Speaker, the original budget for fiscal 1964, submitted last January, proposed total new obligatory authority—annual appropriations, permanent appropriations, Treasury borrowing, contract authority, and reappropriations—everything which, if enacted, would permit an obligation against the Treasury—of \$107,927,000,000, the second peacetime year in history the asking price

has exceeded \$100,000,000,000. The executive branch has revised that figure from time to time by an amount not yet precisely determinable, but not by much; it remains roughly close to that astronomical sum. And since not a dollar can be removed from the Treasury for any purpose at any time unless the Congress has first appropriated or otherwise enacted authority to obligate the Government, the obligational authority request, not the more widely used \$98.8 billion expenditure budget total, is the more significant long-run figure and the more accurate barometer to future spending levels urged in the budget. Congress acts on the obligational authority budget, not directly on the expenditure budget.

The principal portion of the obligational authority budget is disposed of in the bills processed through the Committee on Appropriations. In this session, there were 2 supplementals having to do with fiscal 1963 and 12 regular bills for fiscal 1964 plus a small joint resolution for limited last-minute supplementals. As noted, all regular bills have cleared both Houses and conference; the last-minute supplemental was not enacted.

SUMMARY OF THE APPROPRIATION BILLS

Budget estimates of appropriations submitted to the House for action this session in bills from the Committee on Appropriations total \$98,833,372,581, as shown by the appending tabulations. This divides \$2,149,679,106 as supplementals for fiscal 1963 earlier in the session and \$96,733,693,475 for fiscal 1964 bills. As noted, this does not include permanent appropriations recurring automatically under permanent law, estimated in the January budget at about \$11,500,000,000; in view of subsequent indications of rising interest costs on the record-breaking national debt, that total will, probably, go to \$12,000,000,000 or more.

As sent to the House floor, the committee bills for the session totaled \$91,066,360,995 in appropriations, or \$7,817,011,586 below the corresponding budget requests—the largest aggregate reduction in several years. Every regular bill was below the budget. There were, of course, as in most sessions, a handful of reductions somewhat in the nature of funding adjustments or of uncertain durability because of limited discretionary control in the appropriations process.

The Committee on Appropriations has been in operation for nearly 99 years. Its jurisdiction and its activities have changed with time and circumstance, but its charter has never changed. The original mandate is intact—and more urgent than ever. The necessities of the times demand more fiscal restraint. The pending high priority tax cut bill, with its accompanying loss of Treasury revenue at least temporarily, embodies the declared policy of fiscal restraint. The President has declared his accord with that policy. And the people want the senseless spiral of ever-increasing national debt stopped, especially in time of peace and record income.

Here on the floor, when the committee was created in 1865, it was said:

The tendency of the time is to extravagance in private and in public. We require

of this new committee their whole labor in the restraint of extravagant and illegal appropriations.

The House made only minor changes in the regular 1964 bills but did insist on restoring the accelerated public works appropriation to the supplemental last spring. As sent to the other body, the bills aggregated \$91,498,923,995 in appropriations, a total cut of \$7,384,448,586 from the requests considered in the House.

In virtually every session the President sends supplemental budget items to the other body after the House has acted on the bills. This year was no exception but the added amounts were nominal; they totaled only \$62,791,555. Thus the Senate considered \$98,946,164,136 of appropriation budget estimates. As passed by the other body, the bills totaled \$93,221,837,607, a reduction of \$5,724,326,529 below the corresponding estimates but \$1,722,913,612 above the House totals. I am certain the House and the country will be glad to note that both Houses have, this year, held every regular bill total below the related budget requests. But of course the other body, characteristically, also raised every regular bill, except one, above the House allowance. It would be a consummation devoutly to be wished if the other body would cooperate more closely in this respect by resisting the importunities of the departments. The decisions of the House are by no means perfect in these matters but, to be certain, neither are they so imperfect as to justify raising virtually every bill total. They could even, as on rare occasion has happened, constructively reduce the House totals. There are many places where this would be possible without adverse effect on essential functions of Government. The Founding Fathers envisioned extravagant allowances in the House and armed the Senate with the amendment power to diminish it. How astonished they would

be to note today how drastically the process has been reversed.

The bills finally adopted aggregate \$92,433,123,132 in appropriations, a cut of \$6,513,041,004 below the budget requests.

And to repeat, because it is important in the total situation, these amounts exclude something like \$12,000,000,000-plus of permanent appropriations for fiscal 1964 under previous law.

Significantly, Mr. Speaker, while the bills adopted for fiscal 1964 are substantially below the budget requests, for the first time in several years, they are also, in total, below appropriations for the preceding fiscal year—for the fiscal year 1963. The bills enacted are \$3,317,416,885 below last year, in contrast with the upward trend of recent years. The reduction includes the \$2,000,000,000 IMF item, but the residue is, nonetheless, a significant cut from last year's total. Comparison with the previous year is the more accurate and informative measurement, because while the House needs to know what disposition has been made of budget requests, you never really retrench when you cut a budget level that has never before been appropriated and conclude with appropriations higher than the previous year.

Of course, as is always the case, not every dollar cut from appropriation requests for a given year results in an equivalent reduction in expenditure estimated for that same year; the rough rule of thumb, for the budget as a whole, is that 35 to 40 percent of total appropriations are not expended in the first year. However, that is essentially immaterial here. A dollar not appropriated is a dollar not taken from the Treasury.

This significant step, this departure from the general trend, is summarized in the first table. The one following that supplies more details on bills of the session at each stage of consideration:

The appropriation bills, 88th Cong., 1st sess.—A summary

Bill	Appropriations	The appropriations—	
		Below (—) the budget requests	Above (+) or below (—) fiscal 1963 appropriations
1. Supplemental bills for fiscal 1963.....	\$1, 975, 602, 491	—\$184, 869, 965	
2. Bills for fiscal 1964:			
Interior and related.....	952, 456, 500	—45, 552, 500	+ \$22, 762, 400
Loan authorization.....	(6, 000, 000)	(—7, 000, 000)	
Contract authority.....		(—17, 500, 000)	
Treasury-Post Office.....	6, 045, 496, 000	—101, 376, 000	+383, 951, 830
Labor-HEW.....	5, 471, 087, 500	—288, 401, 500	—100, 885, 100
Defense.....	47, 220, 010, 000	—1, 794, 227, 000	+1, 130, 072, 500
Independent offices.....	13, 224, 518, 050	—1, 434, 069, 950	+1, 354, 866, 750
Public works.....	4, 406, 272, 700	—155, 684, 300	+1, 128, 429, 910
Military construction.....	1, 585, 880, 000	—380, 520, 000	+266, 765, 500
State, Justice, Commerce, and Judiciary.....	1, 820, 093, 000	—339, 708, 900	—323, 333, 841
District of Columbia (Federal payment).....	40, 368, 000	—12, 500, 000	+7, 169, 000
Loan authorizations.....	(19, 300, 000)	(—1, 500, 000)	(—6, 742, 000)
Legislative.....	168, 293, 069	—13, 925, 381	+17, 880, 224
Agriculture.....	6, 224, 370, 215	—144, 384, 785	+216, 770, 305
Loan authorizations.....	(855, 000, 000)	(.....)	(+35, 000, 000)
Foreign aid.....	3, 298, 705, 607	—1, 575, 844, 723	—2, 904, 861, 543
Supplemental, mental retardation.....		—41, 886, 000	
Total for fiscal 1964 bills.....	90, 457, 520, 641	—6, 328, 171, 039	—3, 317, 416, 885
Loan authorizations and contract authority.....	(880, 300, 000)	(—26, 000, 000)	(+28, 258, 000)

¹ The first figure, \$1,130,072,500 is, on a comparable basis, overstated by \$484,300,000, and the 2d figure, \$266,765,500, is understated, (thus converting a real decrease to an apparent increase), by approximately the same amount due to the shift, in 1964, of financing of operation and maintenance and debt payments in connection with family housing from the regular defense bill to the military construction bill.

The appropriation bills, 88th

(Does not include back-door appropriations, or 1 permanent appropriations under previous

Bill No.	Title	House							
		Budget estimates to House	Date and report number	Amount as reported	Amount reported compared with budget estimates	Date passed	Amount as passed	House action compared with—	
								Budget estimates	Amount reported
	1963 SUPPLEMENTALS								
H.J. Res. 284	Supplemental, agriculture.....	\$ 508,172,000	Feb. 26 (No. 35)	\$508,172,000	-----	Feb. 27	\$508,172,000	-----	-----
H.R. 5517	Supplemental.....	1,641,507,106	Apr. 5 (No.198)	988,756,506	-\$652,750,600	Apr. 10	1,438,691,506	-\$202,815,600	+\$449,935,000
	Public works acceleration.....	(500,000,000)			(-500,000,000)		(450,000,000)	(-50,000,000)	(+450,000,000)
	All other.....	(1,141,507,106)		(988,756,506)	(-152,750,600)		(988,691,506)	(-152,815,600)	(-65,000)
	Total, 1963 supplementals.....	2,149,679,106		1,496,928,506	-652,750,600		1,946,863,506	-202,815,600	+449,935,000
	1964 APPROPRIATIONS								
H.R. 5279	Interior.....	998,009,000	Mar. 28 (No. 177)	929,690,200	-68,318,800	Apr. 2	922,625,200	-75,383,800	-7,065,000
	Loan authorization.....	(13,000,000)		(6,000,000)	(-7,000,000)		(6,000,000)	(-7,000,000)	
	Contract authority.....	(17,500,000)			(-17,500,000)			(-17,500,000)	
H.R. 5366	Treasury—Post Office.....	6,146,842,000	Apr. 1 (No. 179)	5,997,026,000	-149,816,000	Apr. 4	5,997,026,000	-149,816,000	
H.R. 5888	Labor—HEW.....	5,759,489,000	Apr. 25 (No. 246)	5,449,988,000	-309,501,000	Apr. 30	5,449,981,000	-309,508,000	-7,000
H.R. 6754	Agriculture.....	6,368,755,000	June 3 (No. 355)	5,979,457,000	-389,298,000	June 6	5,979,457,000	-389,298,000	
	Loan authorizations.....	\$ (855,000,000)		\$ (855,000,000)			\$ (855,000,000)		
H.R. 6868	Legislative.....	148,580,245	June 6 (No. 369)	\$ 140,038,919	-8,541,326	June 11	\$ 140,038,919	-8,541,326	
H.R. 7063	State, Justice, Commerce, judiciary.....	2,159,891,900	June 14 (No. 388)	1,851,269,900	-308,622,000	June 18	1,851,269,900	-308,622,000	
H.R. 7179	Defense.....	49,014,237,000	June 21 (No. 439)	47,092,209,000	-1,922,028,000	June 26	47,082,009,000	-1,932,228,000	-10,200,000
H.R. 7431	District of Columbia.....	(289,581,800)	July 8 (No. 499)	(284,286,800)	(-5,295,000)	July 11	(284,286,800)	(-5,295,000)	
	Federal payment.....	34,868,000		32,686,000	-2,000,000		32,868,000	-2,000,000	
	Loan authorizations.....	(8,000,000)		(8,000,000)			(8,000,000)		
H.R. 8747	Independent offices.....	14,658,588,000	Oct. 7 (No. 824)	13,102,818,700	-1,555,769,300	Oct. 10	13,102,718,700	-1,555,869,300	-100,000
H.R. 9139	Military construction.....	1,966,400,000	Nov. 14 (No. 901)	1,562,964,000	-403,436,000	Nov. 18	1,562,964,000	-403,436,000	
H.R. 9140	Public works.....	4,561,747,000	Nov. 15 (No. 902)	4,276,116,400	-285,630,600	Nov. 19	4,276,116,400	-285,630,600	
H.R. 9499	Foreign aid.....	4,874,400,330	Dec. 14 (No. 1040)	3,113,100,370	-1,761,299,960	Dec. 16	3,113,100,370	-1,761,299,960	
H.J. Res. 875	Supplemental, mental retardation.....	41,886,000	Dec. 14 (No. 1041)	41,886,000	-----	Dec. 19	41,886,000	-----	-----
	Total, 1964 appropriations.....	796,733,693,475		89,569,432,489	-7,164,260,986		89,552,060,489	-7,181,632,986	-17,372,000
	Total, all appropriations.....	98,883,372,581		91,066,360,995	-7,817,011,586		91,498,923,995	-7,384,448,586	+432,563,000
	Total, loan authorizations.....	(876,000,000)		(869,000,000)	(-7,000,000)		(869,000,000)	(7,000,000)	
	Total, contract authority.....	(17,500,000)			(-17,500,000)			(-17,500,000)	

¹ Tentatively estimated in January budget at about \$11,500,000,000 for fiscal year 1964, (probably low).

² Shifted from budget for 1964, which was reduced accordingly.

³ Includes \$360,000,000 for Farmers Home Administration loans currently made from loan repayments in lieu of former practice of public debt borrowings from Treasury.

⁴ Excludes Senate items.

BACKDOOR APPROPRIATIONS

In passing, Mr. Speaker, may I note that the House prevailed against the insistence of the other body that we supply \$2,000,000,000 for the Export-Import Bank through the Treasury's backdoor. That was the only significant backdoor appropriation bill advanced during the session, although one or two smaller ones are pending. It was proposed as a supplemental fiscal 1963 addition to the Bank's general capital structure. The request has not been resubmitted in fiscal 1964—unassailable proof that it was not needed in the first instance; nothing further has been heard about it. The Bank continues to function. It exemplifies a characteristic of the indefensible backdoor procedure.

LATE ENACTMENT OF THE APPROPRIATION BILLS

Mr. Speaker, when the new fiscal year opened on July 1 last, only four major regular 1964 bills remained to be reported to the House. Committee hearings on them had either been completed or were well along. All hinged, in whole or in significant part, on annual authorization bills not then enacted—in two instances

not even reported from the legislative committees. Every Member is aware of the rule of the House forbidding the Committee on Appropriations from bringing in a bill unless the appropriations have been authorized by legislation previously enacted. Thus the rule left us no choice but to mark time. One of the four major appropriation bills then pending—Independent Offices—was awaiting the multibillion-dollar space agency authorization bill which finally became law on September 6. We reported the appropriation October 7.

Another bill pending on July 1 was for military construction. The underlying authorization was signed on November 7 and the appropriation was reported a week later—November 14.

The authorization bill for the Atomic Energy Commission was not signed until July 22, and further contributions to delay in reporting the public works appropriation bill, in which the AEC budget is carried, were the revisions occasioned by the test ban treaty and the outcome of pending legislation affecting the budget for the Northwest power agencies, also in the public works bill. It was finally re-

ported November 15 and thereafter moved with dispatch.

The committee finally reported the foreign aid appropriation on December 14, but could not call it up on the floor until the two related authorization bills were signed the morning of December 16. And even here, another authorization bill supporting the budget item for one of the banking agencies in the bill is yet not enacted.

The House cannot expect to receive the appropriation bills earlier if it continues to delay the processing and continues to extend the coverage of annual reprocessing of legislative authorizations for going Federal programs. In the present session they involved over \$26,000,000,000 of the budget. Already the system has been extended, effective with the next session—first, to a part of the Coast Guard, which will affect the Treasury appropriation bill; second, to include the entire AEC budget; and third, to embrace the entire military research and development budget.

The following statistical information is pertinent.

Cong., 1st sess.

legislation. Does include indefinite appropriations carried in annual appropriation bills]

Senate						Conference			Public Law		
Budget estimates to Senate	Date and report number	Amount as reported	Date passed	Amount as passed	Senate action compared with—		Date filed and report number	Amount as approved	Increase or decrease compared to budget estimates to date	Number	Date approved
					Budget estimates	House action					
\$ 508,172,000	Feb. 28 (No. 9)	\$508,172,000	Mar. 4	\$508,172,000				\$508,172,000		88-1	Mar. 6
1,652,300,456	Apr. 24 (No. 155)	1,486,096,841	May 1	1,488,683,841	—\$163,616,615	+\$49,992,335	May 6 (No. 275)	1,467,430,491	—\$184,869,965	88-25	May 17
(500,000,000)		(450,000,000)		(450,000,000)	(—50,000,000)		May 31 (No. 290)	(450,000,000)	(—50,000,000)		
(1,152,300,456)		(1,036,096,841)		(1,038,683,841)	(—113,616,615)	(+49,992,335)		(1,017,430,491)	(—134,869,965)		
2,160,472,456		1,994,268,841		1,996,855,841	—163,616,615	+49,992,335		1,975,602,491	—184,869,965		
998,009,000	May 22 (No. 181)	979,093,400	May 28	979,693,400	—18,315,600	+57,068,200	July 11 (No. 551)	952,456,500	—45,552,500	88-79	July 26
(13,000,000)		(6,000,000)		(6,000,000)	(—7,000,000)			(6,000,000)	(—7,000,000)		
(17,500,000)					(—17,500,000)				(—17,500,000)		
6,146,842,000	May 3 (No. 168)	6,074,216,250	May 8	6,069,466,250	—77,375,750	+72,440,250	May 28 (No. 353)	6,045,466,000	—101,376,000	88-39	June 13
5,759,489,000	Aug. 1 (No. 383)	5,494,627,250	Aug. 7	5,495,827,250	—263,661,750	+45,846,250	Sept. 25 (No. 774)	5,471,087,500	—288,401,500	88-136	Oct. 11
6,368,755,000	Sept. 12 (No. 497)	6,046,738,340	Sept. 30	6,047,988,340	—320,766,660	+68,531,340	Dec. 21 (No. 1088)	6,224,370,215	—144,384,785		
\$ (855,000,000)		\$ (880,000,000)		\$ (880,000,000)	(+25,000,000)	(+25,000,000)		\$ (855,000,000)			
182,218,450	June 25 (No. 313)	168,273,069	June 26	168,273,069	—13,945,381	+28,234,150	Nov. 12 (No. 806)	\$ 168,293,069	—13,925,381		
2,159,891,900	Dec. 5 (No. 747)	1,821,283,000	Dec. 12	1,821,343,000	—338,548,900	—29,926,900	Dec. 17 (No. 1056)	1,820,093,000	—339,798,900		
49,014,237,000	Sept. 17 (No. 502)	47,371,407,000	Sept. 24	47,339,707,000	—1,674,530,000	+257,698,000	Oct. 7 (No. 812)	47,220,010,000	—1,794,227,000	88-149	Oct. 17
(328,724,000)	Nov. 6 (No. 632)	(319,582,825)	Nov. 18	(319,587,785)	(—9,136,215)	(+35,300,985)	Dec. 17 (No. 1055)	(313,093,424)	(—15,630,576)		
52,868,000		47,868,000		47,868,000	—5,000,000	+15,000,000		40,368,000	—12,500,000		
(20,800,000)		(20,800,000)		(20,800,000)	(—12,800,000)	(+12,800,000)		(19,300,000)	—1,500,000		
14,658,588,000	Nov. 13 (No. 641)	13,390,214,650	Nov. 20	13,300,214,650	—1,358,373,350	+197,495,950	Dec. 5 (No. 1004)	13,224,518,050	—1,434,069,950	88-215	Dec. 19
1,966,400,000	Dec. 5 (No. 750)	1,617,489,000	Dec. 9	1,617,489,000	—348,911,000	+54,525,000	Dec. 12 (No. 1036)	1,585,880,000	—380,520,000	88-220	Dec. 21
4,561,957,000	Dec. 5 (No. 746)	4,500,988,200	Dec. 9	4,500,963,200	—60,993,800	+224,846,800	Dec. 11 (No. 1027)	4,406,272,700	—155,684,300		
4,874,550,330	Dec. 17 (No. 785)	3,604,364,667	Dec. 19	3,578,058,607	—1,296,491,723	+464,958,237	\$ Dec. 21 (No. 1091)	3,298,705,607	—1,575,844,723		
41,886,000	Dec. 20 (No. 814)	258,090,000	Dec. 20	258,090,000	+216,204,000	+216,204,000			—41,886,000		
\$ 96,785,691,680		91,374,652,826		91,224,981,766	—5,560,709,914	+1,672,921,277		90,457,520,641	—6,328,171,039		
\$ 98,946,164,136		93,368,921,667		93,221,837,607	—5,724,326,529	+1,722,913,612		92,433,123,132	—6,513,041,004		
(888,800,000)		(906,800,000)		(906,800,000)	(+18,000,000)	(+37,800,000)		(880,300,000)	(—8,500,000)		
(17,500,000)					(—17,500,000)				(17,500,000)		

¹ Report rejected by Senate on Nov. 27, 1963. Amendments adopted separately on House floor on Dec. 17, 1963, and on Senate floor on Dec. 18, 1963.
² Rept. No. 1087 of Dec. 20 rejected previously.

³ Does not include \$32,427,000 included in H. Doc. No. 174 but not considered.
⁴ Does not include \$32,277,000 included in H. Doc. No. 174 but not considered.

Source: Prepared by Committee on Appropriations, House of Representatives.

Annually recurring legislative authorization bills for fiscal 1964 (which, under the rules, must precede the related appropriation bills)

Bill (88th Cong., 1st sess.)	Passed House	Passed Senate	Conference report finally adopted	Signed into law					Corresponding appropriation bill reported to House, 88th Cong., 1st sess.
				86th Cong., 1st sess.	86th Cong., 2d sess.	87th Cong., 1st sess.	87th Cong., 2d sess.	88th Cong., 1st sess.	
Major military procurement and associated research and development, H.R. 2440.	Mar. 13	Apr. 11	May 14	No annual authorization procedure.	No annual authorization procedure.	June 21, 1961, Public Law 87-53.	Apr. 27, 1962, Public Law 87-436.	May 23, 1963, Public Law 88-28.	Defense; June 21, 1963.
Military construction, H.R. 6500.	June 5	Oct. 22	Oct. 31	Aug. 10, 1959, Public Law 86-149.	June 8, 1960, Public Law 86-500.	June 27, 1961, Public Law 87-57.	July 27, 1962, Public Law 87-554.	Nov. 7, 1963, Public Law 88-174.	Military construction; Nov. 14, 1963.
Foreign aid, H.R. 7885.	Aug. 23	Nov. 15	Dec. 13	July 24, 1959, Public Law 86-108.	May 14, 1960, Public Law 86-472.	Sept. 4, 1961, Public Law 87-195.	Aug. 1, 1962, Public Law 87-565.	Dec. 16, 1963, Public Law 88-205.	Foreign aid; Dec. 14, 1963.
National Aeronautics and Space Administration, H.R. 7500.	Aug. 1	Aug. 9	Aug. 28	June 15, 1959, Public Law 86-45.	June 1, 1960, Public Law 86-481.	July 21, 1961, Public Law 87-98.	Aug. 14, 1962, Public Law 87-584.	Sept. 6, 1963, Public Law 88-113.	Independent offices; Oct. 7, 1963.
Atomic Energy Commission (construction) (S. 1745).	July 8	June 25		June 11, 1959, Public Law 86-44.	May 13, 1960, Public Law 86-457.	Sept. 26, 1961, Public Law 87-315.	Sept. 26, 1962, Public Law 87-701.	July 22, 1963, Public Law 88-72.	Public works; Nov. 15, 1963.
Peace Corps ¹ H.R. 9009.	Nov. 13	Dec. 12 ²						Dec. 16, 1963, Public Law 88-200.	Foreign aid; Dec. 14, 1963.

¹ Formerly carried in foreign aid authorization.² Unamended.

Informational note with respect to fiscal 1965 budgets: AEC, Public Law 88-72, requires future budgets for operating expenses to be also annually authorized (thus the entire AEC budget will have to be annually authorized). Major military procurement, etc., Public Law 88-174, requires future annual authorization of all research, develop-

ment, test, and evaluation—not just that associated with aircraft, missiles, and ships as heretofore. Coast Guard, Public Law 88-45, requires, for 1st time, annual authorization for construction of establishments or for procurement of vessels or aircraft (this would relate to Treasury-Post Office appropriation bill).

NOTE.—Not listed above is H.R. 8200, civil defense shelter construction, in partial support of civil defense budget for 1964, passed House, Sept. 17; pending in Senate.

DEFENSE AND NONDEFENSE SPENDING

Mr. Speaker, as we have so frequently documented—and the fiscal situation is so serious it cannot too often be emphasized—the genesis of much of our tenuous Treasury condition with its staggering, and constantly mounting, national debt is the insistence on repeatedly spending beyond our revenues, year after year, for nondefense purposes. This continues in years of peace and record national income and record Treasury revenues. We have not been willing to exercise the self-restraint to pay as we go along or defer some expenditures until we were in a position to do so. It is incredible that we have refused to marshal the courage to face the situation and stop loading more and more debt on future generations. I quote:

Nothing is more certain than that the days of that government are numbered whose expenditures exceed its income. The servitude of debt, whether individual or national, is the quintessence of slavery; one is a calamity which affects but a few, but the other spreads its ruinous power not only over a whole community, but upon coming generations.

We are today, Mr. Speaker, under such a heavy debt that the annual cost of merely carrying the interest on it is about \$10,500,000,000. That takes 10 cents of every budget dollar. It figures out to the incredible sum of \$20,000 every minute the clock ticks, every day and night of the year. Much of the national debt was unavoidably accumulated during war but we keep adding to it for nondefense spending in years of peace and record national prosperity—borrowing from the future to pay for current luxuries. No serious program—so far, no program of any kind—has been recommended or suggested for a systematic reduction of the debt—only further deficit spending.

At a time when we have accumulated the highest national debt since 1789.

At a time when the cost-of-living index is at an alltime high.

At a time when the value of the dollar is at an alltime low.

At a time when our gold supply has drained away overseas and is at a tenuous low level.

At a time when we have crossed the mark of \$100 billion budgets.

At a time when we are, this year, apparently incurring the second highest peacetime budget deficit.

At a time when we are considering lightening the tax burden on American families—and, incidentally, increasing the debt burden on future generations.

At this especially critical time, Mr. Speaker, certainly we should retrench every dollar we properly can in every phase of spending—both in defense and in nondefense. Certainly that is the minimum.

Briefly articulating the figures as to defense and nondefense spending, Mr. Speaker, the original fiscal 1964 budget projected administrative budget expenditures in these striking dimensions.

	Administrative budget spending	
	Over fiscal 1961	Over fiscal 1964 (1st post-Korea war year)
Fiscal 1964, original January budget estimate:		
National defense	¹ +\$7,939,000,000	+ \$8,447,000,000
Other than national defense	² +9,348,000,000	³ +22,818,000,000
Total, 1964 original budget estimate over	+17,287,000,000	+31,265,000,000

¹ Subject to some revision (Treasury informally estimated, last month, that total expenditures might be a billion less (\$97,800,000,000 rather than \$98,800,000,000 in January budget). But the dimensions illustrated here would not be distorted).

² 27-percent increase in 2 years.

³ 111-percent increase since end of the Korean war.

The more detailed figures in support, taken from the budget, are in the following table:

National defense and nondefense net budget expenditures—In more detail

In millions of dollars]

Fiscal year	National defense functions		Other than national defense	Total net budget expenditures
	Defense military	Total		
Fiscal 1953 (Korean war year)	\$43,610	\$50,442	\$23,678	\$74,120
Fiscal 1954	40,326	46,986	20,551	67,537
Fiscal 1955	35,531	40,695	23,694	64,389
Fiscal 1956	35,792	40,723	25,501	66,224
Fiscal 1957	38,436	43,360	25,606	68,966
Fiscal 1958	39,070	44,234	27,135	71,369
Fiscal 1959	41,223	46,491	33,851	80,342
Fiscal 1960	41,215	45,691	30,848	76,539
Fiscal 1961	43,227	47,494	34,021	81,515
Increase in level during the 8 years, 1954-61	+2,891	+508	¹ +13,470	+13,978
Fiscal 1962	46,815	51,103	36,684	87,787
Fiscal 1963	48,252	52,755	39,887	92,642
Fiscal 1964 (January 1963 budget estimate, resting, as is generally the case, on certain specific assumptions and contingencies)	51,200	55,433	43,369	² 98,802
Increase in level during 3 years, 1962-64, on tentative basis shown	+7,773	+7,939	+9,348	+17,287
Comparisons, fiscal 1964 (original January 1963, budget estimate) over—				
1963 actual	+2,748	+2,678	+3,482	³ +6,160
1961 actual	+7,773	+7,939	⁴ +9,348	+17,287
1954 actual	+10,674	+8,447	⁴ +22,181	+31,265

¹ A 65-percent increase, 1961 over 1954.

² This original January 1963 budget projection is, according to later informal Treasury estimates, \$1,000,000,000 too high and, accordingly, its division between defense and nondefense, and the comparisons shown herein, would be affected. (See H. Rept. 885, pt. 4, Nov. 4, 1963.)

³ See footnote 2.

⁴ A 27-percent increase, 1964 (tentative) over 1961. (See footnote 2.)

⁵ A 111-percent increase, 1964 (tentative) over 1954. (See footnote 2.)

NOTE.—“National defense” functions follows the budget classification.

Source: Budget documents.

EXPENDITURES FOR DEFENSE, SPACE, AND INTEREST

On this general question, Mr. Speaker, during the current fiscal year the budget is being administered under executive restrictions calling for aggregate budget expenditures to be held below the corresponding preceding year's level for all purposes of Government other than national defense, space, and interest. This broad segregation does not comport with the official budget classification as between defense and nondefense, but nonetheless that is the plan being followed. Measuring the progress of the current budget on this basis in comparison with last year, Treasury fig-

ures for the first 5 months through November 30 reflect net budget expenditures in amounts as follows:

	1st 5 months (in millions)			Original budget estimate for all of fiscal 1964
	Fiscal 1963	Fiscal 1964	Plus or minus	
National defense	\$21,609	\$21,639	+ \$30	\$55,433
Space	837	1,485	+648	4,200
Interest	4,093	4,370	+277	10,103
All other	13,175	13,050	-125	29,666
Total	39,714	40,544	+830	98,802

RISING REVENUES—HIGHER RISING EXPENDITURES

Mr. Speaker, the pattern of the 10 years since the end of the Korean war has been an ever-increasing expenditure budget—mostly nondefense increases—and Treasury revenues, even at record levels and assisted by extension of war taxes in time of peace, insufficient to pay the bills. Additional spending demands continue to consume the flood tide of Treasury revenues and the gap has to be covered by issuing more Government bonds at higher and higher interest rates. For the 11 fiscal years since that war ended, the Treasury's budget books were thrown out of balance by some \$43,600 million—almost \$4 billion on the average each year.

Budget deficit in the 8 fiscal years following the Korean war..... \$21,953,000,000
Budget deficit during the 3 years since (including \$9,000,000,000 latest informal Treasury estimate for fiscal 1964)..... 21,644,000,000

Total probable deficit, 11 fiscal years, 1954-64, on basis shown... 43,597,000,000

Net budget receipts and net budget expenditures, 11 years, 1954-64

[In millions of dollars]

Fiscal year	Net budget receipts	Net budget expenditures	Budget surplus (+) or deficit (-)
1953 (Korean war year)	64,671	74,120	-9,449
1954 (from July 1953)	64,420	67,537	-3,117
1955	60,209	64,369	-4,160
1956	67,850	66,224	+1,626
1957	70,562	68,966	+1,596
1958	68,550	71,369	-2,819
1959	67,915	80,342	-12,427
1960	77,763	76,539	+1,224
1961 (to July 1961)	77,659	81,515	-3,856
8 years, 1954-61	554,928	576,881	-21,953
1962 (from July 1961)	81,409	87,787	-6,378
1963	86,376	92,642	-6,266
1964 (latest published informal Treasury estimate)	88,800	97,800	-9,000
3 years of 1962-64, on basis shown	256,585	278,229	-21,644
11 years of 1954-64, on basis shown	811,513	855,110	-43,597

¹ See p. 4, H. Rept. 885, Nov. 4, 1963, on the 3d debt ceiling bill of the year. Figures contrast with original January budget projections of \$86,900,000,000 for receipts and \$98,802,000,000 of expenditures, with consequent deficit of \$11,902,000,000, on basis of economic assumptions and tax reduction and revision recommendations in 1964 budget (a GNP of \$578,000,000,000 in calendar 1963; personal income of \$459,000,000,000; corporation profits of \$53,000,000,000; proposed tax changes and revisions, offset in part by proposed speedup of corporation tax payments and initial stimulus to economy from tax program, a net estimated loss in fiscal 1964 of \$2,700,000,000; new transportation user tax proposals, \$100,000,000 additional; and assumed extension of then present excise taxes due to decline or expire in June 1963.)

THE PUBLIC DEBT

Mr. Speaker, when we continue to spend as though the Treasury were a bottomless source of a boundless supply of dollars, and continue living beyond our revenues, the national debt mounts steadily as does the cost of interest—now at \$20,000 every minute. So we necessarily must reenact the annual debt ceiling ritual. We have had to do that 12 years in a row—and this year we raised

it three times, until it is now at \$315 billion, a large part of which is labeled "temporary." But unless we show some national interest in restraining expenditures within the national income and continue that policy, it becomes absurd to cling to such a delusion. As was once said about agencies of the Government: "Nothing is so permanent as a temporary agency of Government."

With the evident certainty of at least 1 or 2 more years of deficits, the House will, in the next session and in the year following, again adjust the ceiling. Under the circumstances it will have to go even higher.

I include an illuminating summary of significant data on the public debt. It now stands at an alltime "high water" mark:

Federal debt on significant dates

Date	Classification	Total direct and guaranteed debt	Per capita ¹	Computed annual interest rate on interest-bearing debt		
				Direct debt	Guaranteed debt	Total direct and guaranteed debt
WORLD WAR I						
Mar. 31, 1917	Prewar debt.....	\$1,282,044,346.28	\$12.36	2.395	-----	2.395
Aug. 31, 1919	Highest war debt.....	26,596,701,648.01	250.18	4.196	-----	4.196
Dec. 31, 1930	Lowest postwar debt.....	16,026,087,087.07	129.66	3.750	-----	3.750
WORLD WAR II						
June 30, 1940	Debt preceding defense program.....	\$48,496,601,692.96	367.08	2.583	1.978	2.514
Nov. 30, 1941	Pre-Pearl Harbor debt.....	61,363,867,932.26	458.47	2.429	1.885	2.373
Feb. 28, 1946	Highest war debt.....	279,764,369,348.29	1,989.75	1.972	1.349	1.971
June 30, 1946	Debt at end of year in which hostilities ceased.....	269,898,484,032.56	1,908.79	2.996	1.410	1.995
Apr. 30, 1949	Lowest postwar debt ²	251,553,319,739.98	1,690.29	2.235	2.356	2.235
SINCE KOREA						
June 30, 1950	Debt at time of opening of hostilities in Korea (hostilities began June 24, 1950).....	257,376,855,385.01	1,696.74	2.200	2.684	2.200
Dec. 31, 1952	Revised.....	267,445,125,544.96	1,687.90	2.353	2.565	2.353
Nov. 30, 1963	Highest debt ³	308,932,504,993.29	\$1,621.84	3.476	3.728	3.476
Nov. 30, 1962	Debt a year ago.....	305,892,963,927.29	\$1,628.44	3.288	3.569	3.288
Oct. 31, 1963	Debt last month.....	307,147,152,239.03	\$1,614.22	3.460	3.718	3.460
Nov. 30, 1963	Debt this month.....	308,932,504,993.29	\$1,621.84	3.476	3.728	3.476

¹ Based upon estimates of the Bureau of the Census.

² Revised.

³ Represents the lowest point of the debt at the end of any month following World War II. The lowest point of the debt on any day following that war was on June 27, 1949, when the debt was as follows:

Direct debt (gross).....	\$251,245,889,059.02
Guaranteed debt (not including obligations owned by the Treasury).....	23,876,001.12

Total direct and guaranteed debt..... 251,269,765,060.14

⁴ Represents the highest point of the debt at the end of any month. The highest point of the debt on any day was on Nov. 29, 1963, when the debt was as follows:

Direct debt (gross).....	\$308,214,711,868.29
Guaranteed debt (not including obligations owned by the Treasury).....	717,793,125.00

Total direct and guaranteed debt (includes \$365,486,236.30 not subject to statutory limitation)..... 308,932,504,993.29

⁵ Subject to revision.

It is of course understood, Mr. Speaker, that there are illusory statistical methods of minimizing the monstrous size of the debt and making it appear less burdensome in comparison. They seem to mitigate the harshness and the seriousness of the situation. And that is the last thing we ought to do—the situation is far too serious. Deficits are by historical fact becoming almost a way of life. And as they pile up, the national debt piles up—on future generations not here to call us to account.

After failure to adhere to the so-called compensatory fiscal policy under which deficit borrowings during recessions were to be repaid with surpluses when prosperity returned, it became popular to justify ever-increasing budgets in statistical relationship to the gross national product—growth of the product means a growing population and therefore justifies some growth in the volume of public services. Obviously so, but it cannot justify

living beyond our means or our unwillingness to tax ourselves to pay the cost. It may be claimed that the Federal debt is less, on a per capita basis, than it was 15 years ago. True, because the population has grown faster than the Federal debt. Simple arithmetic. But in the final analysis, the question is, "Do we owe more or do we owe less?" And on that question, the answer is clear, as I have just shown from the Treasury report. Furthermore, such a deluding statistical comparison ignores the fact we have only one population; the same population also owes the State and local government debt; the same population has only one pocket, one paycheck from which to support all levels of government expense and all levels of public debt. And, according to available figures, on a per person basis, and despite a rapidly rising population, the American people owed four times more total public debt in 1962 than they did in 1940; more

in 1962 than in 1950; more in 1962 than in 1953. The per person total debt has risen in each of the last 3 years.

Some may be willingly deluded, but we cannot escape the truth of the situation—and it is serious.

Federal, State, and local tax receipts, expenditures, and debt, on a per capita basis, selected fiscal years

Year	Per capita				Percentage distribution			
	Total	Federal	State	Local	Total	Federal	State	Local
1. Tax receipts:								
1940	\$109	\$43	\$32	\$34	100	39.2	29.2	31.6
1946	370	286	45	39	100	77.3	12.2	10.5
1950	369	255	60	54	100	69.1	16.3	14.6
1953	576	433	77	67	100	75.2	13.3	11.5
1960	718	501	114	102	100	69.8	15.9	14.3
1961	735	507	119	109	100	69.0	16.2	14.8
1962	766	526	126	115	100	68.6	16.4	15.0
2. Expenditures:								
1940	156	77	35	44	100	49.3	22.3	28.5
1946	602	502	47	53	100	83.5	7.7	8.8
1950	473	301	86	86	100	63.7	18.2	18.1
1953	707	514	90	103	100	72.7	12.8	14.5
1960	854	549	140	164	100	64.3	16.4	19.2
1961	912	583	155	174	100	63.9	17.0	19.1
1962	953	613	160	180	100	64.3	16.7	18.9
3. Gross debt:								
1940	483	328	27	128	100	67.9	5.7	26.4
1946	2,154	2,034	18	102	100	94.4	.8	4.8
1950	1,893	1,731	36	127	100	91.4	1.9	6.7
1953	1,925	1,708	50	167	100	88.7	2.6	8.7
1960	2,018	1,622	105	291	100	80.4	5.2	14.4
1961	2,025	1,606	111	308	100	79.3	5.5	15.2
1962	2,073	1,630	118	325	100	78.6	5.7	15.7

Source: Tax Foundation, "Facts and Figures," 12th ed.

GOLD SUPPLY AND THE CLAIMS AGAINST IT

Mr. Speaker, we may continue to ignore warning signs a while longer but we do not delude foreign bankers who hold our dollars as claims against our depleted gold supply, callable on demand. They watch these significant indicators more closely than many of us; they cannot afford to do otherwise. They know that the average American, today, owes more public debt, on a per-person basis, than at any time since World War II.

The gold supply situation is not making the front pages as it did during the

precipitate outflow in the years between 1958 and 1962 when \$6,802,000,000 was handed over on demand. But that does not dismiss the tenuous nature of the situation. We have about \$15,600,000,000 in supply. Possible claims against it approximate \$22,900,000,000, and that does not count the amount committed as a 25-percent backing of our money supply. As one official so well put it, foreign holders of claims on our gold would much prefer a ceiling on Federal spending to a ceiling on the Federal debt.

Here are some arresting official data in substantiation of the seriousness of the situation:

Our tenuous gold position

[Rounded figures used]

Date	U.S. gold stocks	Gold stock (above required 25-percent backing for currency and deposits)	Possible foreign claims	Potential shortage of gold with present 25-percent backing provision
1957 (Dec. 31)	\$22,900,000,000	\$10,800,000,000	\$14,900,000,000	\$4,100,000,000
1958 (Dec. 31)	20,600,000,000	8,500,000,000	15,600,000,000	7,100,000,000
1959 (Dec. 31)	19,500,000,000	7,300,000,000	17,700,000,000	10,400,000,000
1960 (Dec. 31)	17,800,000,000	6,100,000,000	18,800,000,000	12,700,000,000
1961 (Dec. 31)	16,900,000,000	4,900,000,000	20,400,000,000	15,500,000,000
1962 (Dec. 31)	16,100,000,000	3,700,000,000	21,400,000,000	17,700,000,000
1963 (September)	15,600,000,000	3,300,000,000	22,900,000,000	19,600,000,000
Change, January 1958 through September 1963	-7,300,000,000	-7,500,000,000	+8,000,000,000	+15,500,000,000

Source: Department of Commerce, Office of Business Economics (but with their figures rounded as noted).

Decline in gold assets of the United States, 6 years, 1958-63

Date or period	Gold assets	Change
Dec. 31, 1957	\$22,780,675,342	
Dec. 31, 1958	20,534,104,913	\$2,246,570,429
Dec. 31, 1959	19,456,135,794	-1,077,969,119
Dec. 31, 1960	17,766,797,708	-1,689,338,086
Dec. 31, 1961	16,888,905,838	-877,891,870
Dec. 31, 1962	15,978,190,463	-910,715,375
Decline in gold holdings, 6 years, 1958-62		-6,802,484,879
Jan. 31, 1963	15,928,176,307	-50,014,156
Feb. 28, 1963	15,878,348,103	-49,828,204
Mar. 29, 1963	15,878,025,379	-322,724
Apr. 30, 1963	15,877,734,571	-290,808
May 31, 1963	15,798,086,166	-79,648,405
June 28, 1963	15,733,222,382	-64,863,784

Decline in gold assets of the United States, 6 years, 1958-63—Continued

Date or period	Gold assets	Change
July 31, 1963	\$15,633,079,085	-\$100,143,297
Aug. 30, 1963	15,582,474,216	-50,604,869
Sept. 30, 1963	15,582,492,392	+18,176
Oct. 31, 1963	15,583,229,249	+736,857
Nov. 29, 1963	15,582,922,508	-306,741
Decline in gold holding during calendar year 1963		-395,267,955
Total decline, December 1957 to November 1963		-7,197,752,834

Source: Daily Treasury Statements.

COST OF LIVING—VALUE OF THE DOLLAR

Mr. Speaker, one of the most illuminating statistics, reflecting the inevitable result—arising in substantial measure from spending beyond income in 28 of the last 34 years—is the index to the ever-increasing cost of living. It pinches every family budget. It shows what every family knows—that the 1939 dollar is now worth only 45 cents.

What about the future if we keep on spending more than we take in—tempting the fires of further inflation and further erosion of the dollar's worth?

Consumer price index and purchasing power of the dollar

Years:	Consumer price index (1947-49=100)		Purchasing power of the dollar (calendar year 1939=100 cents)
	All items	Foods	
1939	59.4	47.1	100.0
1940	59.9	47.8	99.2
1941	62.9	52.2	94.4
1942	69.7	61.3	85.2
1943	74.0	68.3	80.3
1944	75.2	67.4	79.0
1945	76.9	68.9	77.2
1946	83.4	79.0	71.2
1947	95.5	95.9	62.2
1948	102.8	104.1	57.8
1949	101.8	100.0	58.3
1950	102.8	101.2	57.8
1951	111.0	112.6	53.5
1952	113.5	114.6	52.3
1953	114.4	112.8	51.9
1954	114.8	112.6	51.7
1955	114.5	110.9	51.9
1956	116.2	111.7	51.1
1957	120.2	115.4	49.4
1958	123.5	120.3	48.1
1959	124.6	118.3	47.7
1960	128.5	119.7	47.0
1961	127.8	121.0	46.5
1962	129.3	122.3	45.9
Selected months:			
1946—June	79.8	72.1	74.4
1950—June	101.8	100.5	58.3
1952—December	114.1	113.8	52.1
1958—December	123.7	118.7	48.0
1959—December	125.5	117.8	47.3
1960—December	127.5	121.4	46.6
1961—June	127.6	120.9	46.6
1962—January	128.2	121.0	46.3
June	129.2	122.1	46.0
1963—January	131.4	123.5	45.7
February	130.2	123.9	45.6
March	130.3	123.4	45.6
April	130.3	123.1	45.6
May	130.3	123.0	45.6
June	130.8	123.9	45.4
July	131.4	125.3	45.2
August	131.4	125.1	45.2
September	131.4	124.4	45.2
October	131.5	123.8	45.2
November	131.8	124.0	45.1

¹ As measured by the BLS Consumer Price Index.
² New record high.

Source: Office of the Secretary of the Treasury, Office of Financial Analysis, Dec. 17, 1963.

CONCLUSION

Mr. Speaker, as we have noted, for the first time in several years the regular appropriation bills for 1964, where not all but in any event most of the new spending authority is annually provided, aggregate less than appropriations for last year. That in itself is important. It represents, at least for this year, a change in direction, although many individual appropriations are above last year, not below. But in the aggregate they are lower, affording some basis for hope that the President, in future budgets, will follow, in the budget next month, by reversing the direction in every possible instance. In his message of No-

venber 27 to the joint session, the President especially pledged:

The expenditures of the Government will be administered with the utmost thrift and frugality. I will insist that the Government get a dollar's value for a dollar spent. The Government will set an example of prudence and economy.

The President underscored the meaning when he reported:

Men in the Government are going to be recognized by not how much they spend but by how much they save.

So we are coming with a fine-toothed comb in every department and every individual agency.

And with respect to the size of the Federal payroll, with which public men have contended since the beginning of the Government, the directive in preparing the forthcoming 1965 executive budget seems to lay a heavy hand against further growth:

The 1965 budget total for yearend civilian employment must be held below the levels in the 1964 and 1963 budgets.

This means that I, will grant increases only when they are absolutely necessary to meet fixed commitments, to properly carry out new legislation, and to do work of the highest national priority.

Federal employment has sharply increased in the last 2 years or so—at the urging of the executive branch and in response to excessive appropriations. Twice—in October of 1961 and of 1962—after Congress had passed the appropriations and gone home, the departments were directed to get the work done with fewer employees than they could employ with the money in hand—incontrovertible proof that Congress had made excessive appropriations. Congress not infrequently shows a disposition to yield to the importunities of the departments. These recent increases in personnel would not—could not—have come about if the appropriations had not been too high.

Only 3 months ago the House when it adopted the tax cut bill pledged itself to restraint of spending and a balanced budget. In section 1:

It is the sense of Congress that the tax reduction provided by this act through stimulation of the economy, will, after a brief transitional period, raise (rather than lower) revenues and that such revenue increases should first be used to eliminate the deficits in the administrative budgets and then to reduce the public debt. To further the objective of obtaining balanced budgets in the near future, Congress by this action, recognizes the importance of taking all reasonable means to restrain Government spending and urges the President to declare his accord with this objective.

Summary of civilian employment—Executive branch

	Department of Defense	All other	Total
Date:			
As of Jan. 31, 1961.....	1,032,835	1,308,250	2,341,085
As of June 30, 1961.....	1,042,407	1,304,622	2,407,029
As of June 30, 1962.....	1,069,543	1,415,111	2,484,654
As of June 30, 1963.....	1,050,007	1,447,028	2,497,035
As of Oct. 30, 1963.....	1,045,298	1,437,212	2,482,510

Summary of civilian employment—Executive branch—Continued

	Department of Defense	All other	Total
Changes—			
During last 5 months of fiscal 1961.....	+9,572	+56,372	+65,944
During 2 fiscal years of 1962 and 1963.....	+7,600	+82,406	+90,006
During period January 1961 through October 1963.....	+12,463	+128,962	+141,425

¹ In contrast to the 1964 budget projection (in January 1963) of 2,534,041 at the same date, namely, June 30, 1963 (which incidentally, excluded project employees under "Public works acceleration" program; the 2,497,035 figure includes 7,411 such employees).

² Includes 10,396 project employees under "Public works acceleration" program.

Source: Civil Service Commission data.

If the Executive and the Congress would collaborate in a program to this end, and adhere to it, we would reinforce and enhance the stability of the dollar and reassure foreign claimants on our gold supply; and we could begin a systematic reduction of the debt. In time of peace and record revenues that is the only sane, the only sensible way to write the budgets and the appropriations. But to make good on it, the Executive will have to request lower appropriations. Congress will have to cooperate fully, and continuously, by appropriating less. We will have to stop hacking at the branches and start hacking at the roots. Stop initiating new and expanding old nondefense projects. Cut down or drop some of the old, outmoded things and keep at the job of cutting waste in the defense program. The machinery is at hand. It needs no reform. All we need is the will, the disposition to do it. It is not always painless. And it is seldom popular. But it is the only way. Every gimmick the mind of man can contrive to reduce spending without cutting has probably been tried at one time or another to make a seeming, but unreal, savings. Some people call them phony or bookkeeping cuts. The only way to restrain spending is to stop authorizing more, stop asking for more, stop appropriating more. There is no other way.

And may I say in conclusion, Mr. Speaker, that the departments are well aware of the antideficiency law under which the appropriations for the year are to be so allocated as to meet the service for the full 12 months. We do not intend to let the law be relaxed. We do not want piecemeal, partial budgets. We expect complete budgets. The departments are on notice against deficiencies and supplementals.

As documented in detail here on the floor last April 11, the House let the closing supplemental bill of the preceding session die on the Speaker's table and some \$251 million from it was not resubmitted in the next session for the fiscal year. The requests were excessive and certainly of no urgency. The Government was in no way discommoded. We saved that much in 1963 appropriations.

And we have declined to consider several other supplementals recently submitted for this session. Such of them as may be meritorious can wait. And we

intend to examine critically all submitted in the next session.

The Treasury is in serious condition; it is depleted. Something like 9 or 10 cents of every budget dollar spent this year will have to be borrowed. The time is past due to cut more deeply, to apply more restraint to demands. That is what the House said when it voted on the tax bill. That is implicit in the President's statements. And that is what the times and an empty Treasury urgently demand.

ADJOURNMENT

Mr. VINSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. In accordance with the provisions of House Concurrent Resolution 248, the Chair declares the 1st session of the 88th Congress adjourned sine die.

Accordingly (at 2 o'clock and 51 minutes p.m.), Monday, December 30, 1963, the House adjourned sine die.

PROCEEDINGS OF THE HOUSE SUBSEQUENT TO SINE DIE ADJOURNMENT

HOUSE BILL ENROLLED AFTER SINE DIE ADJOURNMENT

Mr. BURLESON, from the Committee on House Administration, reported that on December 30, 1963, that committee had examined and found truly enrolled a bill of the House of the following title:

H.R. 9499. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

ENROLLED BILL SIGNED AFTER SINE DIE ADJOURNMENT

Pursuant to the authority granted the Speaker by House Concurrent Resolution 249, 88th Congress, he did on December 31, 1963, sign an enrolled bill of the House of the following title:

H.R. 9499. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

BILL PRESENTED TO THE PRESIDENT AFTER SINE DIE ADJOURNMENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on December 31, 1963, present to the President, for his approval, a bill of the House of the following title:

H.R. 9499. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1475. A letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report on title I, Public Law 480 agreements

concluded during November 1963, pursuant to Public Law 85-128; to the Committee on Agriculture.

1476. A letter from the Secretary of the Air Force, transmitting a report showing data by grade and age of all officers on flying status above the grade of major, pursuant to section 301(g) title 37, United States Code; to the Committee on Armed Services.

1477. A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting the July-October 1963 report on Department of Defense procurement from small and other business firms, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

1478. A letter from the Assistant Secretary of the Interior, transmitting the Seventh Annual Report on the Status of the Colorado River Storage Project and Participating Projects, pursuant to 70 Stat. 105; to the Committee on Interior and Insular Affairs.

1479. A letter from the Assistant Secretary of the Interior, transmitting a proposed amendment to the concession contract with Evelyn Hill, Inc., No. 14-10-0100-70, Statue of Liberty National Monument, extending contract through December 13, 1964, and including financial summary, 1958 through 1962, pursuant to act of July 31, 1953 (67 Stat. 271), as amended by the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

1480. A letter from the Chairman, Federal Power Commission, transmitting a report on permits and licenses for hydroelectric projects issued during the fiscal year ended June 30, 1963, and names and compensation of persons employed by the Commission during the same period, pursuant to section 4(d) of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

1481. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives for the fiscal year 1963, pursuant to section 3 of the National Aeronautics and Space Administration Authorization Act for the fiscal year 1963 (76 Stat. 382, 383); to the Committee on Science and Astronautics.

1482. A letter from the Comptroller General of the United States, transmitting a report on overestimated costs included in prices negotiated for modification of aircraft engine test stands under fixed-price contracts with Space Corp., Dallas, Tex., Department of the Air Force; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ROONEY of New York introduced a bill (H.R. 9565) for the relief of Jozef Wal, which was referred to the Committee on the Judiciary.

SENATE

MONDAY, DECEMBER 30, 1963

The Senate met at 10 o'clock a.m., and was called to order by the Acting President pro tempore, Hon. LEE METCALF, a Senator from the State of Montana.

Rev. Edward B. Lewis, pastor, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer:

We give praise to Thee, O God of all nations, that there is this moment at the beginning of this session of the U.S. Senate to invoke Thy guidance and blessing.

We are grateful for the faith that is within us, given to us by Thee through

our forefathers. We stand today because of their faith in Thee and in mankind. We stand in this moment of prayer thanking Thee for that faith we have in Thee and in Thy children throughout the world. That faith gives us the joy of living. That sometimes flickering faith gives us peace within, so that peace can be possible among all men of good will. Give these men and women a blessing of new faith.

We stand in the light of the hope we share today. Dark days have been ours in the past month; but we thank Thee for the sunshine of a new day, a new year, a new man that each of us desires to become. Our hope standeth sure. As we look to the brighter day when men shall find a surer peace, we know that it will come because we have not lost hope.

The year 1963 will go down in history, Heavenly Father, as a time when the people of these United States found their only hope at the altar of God. We pray Thy blessing of hope for these men and women who for 1964 shoulder such heavy responsibilities and make such far-reaching decisions. Quicken them with Thy presence and a never dying hope.

While we are mindful of the great, we are also aware of the greatest. We have been taught that the greatest is love—love for God and for our fellow men. Bless these leaders with this kind of love. Their concern and sincerity have caused them sleepless nights. May they be rewarded in this daylight with an answer found from those moments of darkness. Help them never to become falsely professional or impersonal. Instead, enable their decisions to be molded and balanced by the greatest force—love. We pray for faith, hope, and—the greatest of all—love.

Send Thy blessing upon the President of the United States, the leaders of all nations, the citizens of this land, and those of all other lands.

Under the shadow of Thy throne
Still may we dwell secure;
Sufficient is Thine arm alone,
And our defense is sure.
O God, our help in ages past,
Our hope for years to come,
Our shelter from the stormy blast,
And our eternal home.

Amen.

FOREIGN AID AND RELATED AGENCIES APPROPRIATION BILL, 1964— CONFERENCE REPORT

The Chair laid before the Senate a message from the House of Representatives announcing its agreement to the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The ACTING PRESIDENT pro tempore. Under its order of the 24th instant, the Senate will now proceed to the consideration of the conference report on House bill 9499, the Foreign Assistance Appropriation Act of 1964, which the Senator from Rhode Island [Mr. PASTORE] will now submit.

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings, CONGRESSIONAL RECORD, December 24, 1963 (pages 25528-25529).)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. MANSFIELD. Mr. President, will the Senator from Rhode Island yield briefly?

Mr. PASTORE. I yield.

Mr. MANSFIELD. I desire to make two statements. There will be some overlapping, but I believe I should make them at this time.

Mr. President, during the course of the meeting of the Senate on Tuesday last, it was indicated, or at least implied, that the reason why the Senate did not act on the conference report, which had been agreed to that morning by the House, was that a promise had been made by the leadership to the distinguished senior Senator from Oregon [Mr. MORSE]. Nothing could be farther from the truth. No promise was made to the Senator from Oregon, nor was any pledge requested by him.

The fact of the matter is that, as the leadership stated to the Senate on last Friday, December 20, and on Saturday, December 21, the Senate was notified that there would be a request for a live quorum and a request for a rollcall vote on the question of adoption of the conference report. That announcement was made publicly, in response to a question raised by a Member of the Senate; also, it was stated to the leadership on both sides by Members of both parties that a rollcall vote would be requested on the question of adoption of the report. Because there was no definite assurance that the House would act on any given date last week, it was felt by the leadership that it would be advisable to allow the Senate to remain out of session for the remainder of last week, in the hope that, in the meantime, the House would solve its differences and would dispose of the conference report one way or another.

It was stated specifically to the membership, and it is in the RECORD, that there would be a pro forma meeting only on Tuesday last, and that following that session the leadership would use its best judgment, taking into consideration what it considered the best interest of the Senate, as to when a final vote would be taken.

The leadership did not consult with every Senator on this decision, but it did

seek the advice and counsel of a cross-section of the membership, after the House had made its decision. The result was that a decision was arrived at to call the Senate back into session today, for the purpose of facing up to a decision on the conference report.

My purpose in making this statement at this time is to clear the air, as regards the making of any demand, threat, or promise by the leadership to any individual Senator on either side of the aisle. Such was not the case. The responsibility lies with the leadership. The leadership assumed that responsibility, and made its decision known in good time to all the Senators. No blame or credit is to be attached to any Member of this body for the course of action we are taking today. My only purpose in rising at this time is to make very clear that we are meeting today, not because of what one Senator did or did not want, but because in the view of the leadership, all things considered, this was thought to be the best time.

Mr. MORSE. Mr. President, at this time will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I appreciate the comments of the majority leader. His never-failing fairness and his insistence upon stating the facts for the Record make him beloved by all other Senators. I appreciate very much the statement he has made.

Mr. MANSFIELD. I thank the Senator from Oregon. One of the reasons—perhaps the main one—why I made the statement was that false allegations were directed against the distinguished Senator from Oregon. I did not like them. They were untrue. Therefore, I felt they had to be answered.

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

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I fully endorse and concur in every statement made by the majority leader. Not a single day went by that we did not confer and consult, either in person or by local or long-distance telephone. So we were advised, every step of the way, of what was being contemplated with respect to the pro forma sessions of the Senate, and of the fact that we would return today in the hope we could conclude our work on the conference report on the foreign assistance bill, and then consummate a sine die adjournment.

Mr. MANSFIELD. The Senator from Illinois is correct; and I appreciate his statement at this time.

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

Mr. MANSFIELD. I yield.

Mr. HOLLAND. From my limited observation, I can confirm everything the distinguished Senator from Montana has said. I wish to say, further, that I happen to know from my personal contacts with both the majority leader and the minority leader that they had to leave the balmy skies of south Florida, to come back for this meeting. That was quite a sacrifice, I am sure. Their wives were there and they were there. The sunburn on the face of each of them

attests to the fact that they found some sunshine down there.

I assure the Senate that I thought it was a real sacrifice in the interest of getting done something which has to be done, and which should be done before the new session begins. I was glad to return with them, although I am sure it was a source of regret to them to come back, as it was for others.

Any unkind comment is unjustified. This is an effort to do necessary work which should be done.

Mr. MANSFIELD. I appreciate the statement of the Senator from Florida. If he would come to Montana, to enjoy some of the skiing we have there at this time of the year, I believe I could make a similar speech.

Mr. President, all Members of the Senate ought to have had 2 weeks or more of unbroken vacation at the end of one of the longest, most grueling, and most productive Senate sessions in the last two decades. I wish it might have been possible to arrange it that way. The majority and minority leaders, along with every other Member of the Senate, would have been delighted if it could have been so.

But this was the situation which confronted the leadership a week ago, Saturday, December 21. The President had urged the Congress to act on the aid appropriation during the present session. The House, for a number of understandable reasons, was not able to approve the conference report on the appropriation either on Friday or Saturday. Meanwhile, the Senate, with a quorum on hand, waited for the House to act. It waited all day Friday and into the early morning hours of Saturday. It recessed for 3 or 4 hours and came back to wait some more. The patience of Senators understandably began to grow thin as hour after hour went by on Saturday and there was no sign that we would be able to take up the matter on that day. Moreover, there was no assurance that the House would act on Sunday, Monday, or Tuesday. And Wednesday was Christmas Day. Senators are human beings. They have families and friends. They have children and grandchildren.

The majority and minority leaders consulted each other on the problem. The leaders discussed the possibility of continuing to wait and were confronted with the likelihood of a dwindling quorum as Members were exhausted by the uncertainty of an indefinite wait for House action. They discussed the possibility of a sine die adjournment until January 7 and a vote at that time. But that would have flown in the face of the President's wishes in a nonpartisan matter of foreign policy. The leadership consulted with the whips on both sides. They consulted with Members responsible for steering the conference report. They consulted with any Member who wished to consult. The question was always the same: When can we wind this up? And that was the one question which no one in the Senate could possibly have answered.

In the circumstances—with the uncertainty as to when the House would act,

with the desire to comply with the President's wish that the matter should be handled this session and with the thought that a few days' well-earned rest would be better than none for all Members—the leadership decided to adjourn, pro forma, at 3-day intervals. The intention was to permit Senators to go home to rest for 4 or 5 days or for however long it might take for the situation to clarify in the House. It was our belief that this would be better than keeping the Members in their offices for an uncertain number of days on end. It was our belief that the Senate would respond, if given fully adequate notice, with its usual sense of responsibility to a call to reconvene, after the House had acted.

The Senate was informed of these plans on the floor on Saturday, December 21. Assurances were also given that insofar as the leadership was concerned, the earliest likely date of reconvening would be Friday, December 27. There were no objections from any Member. So far as I can recall there was only general agreement that, in the light of the existing circumstances, the procedure was both sensible and desirable. And there was a general sense of relief that it had been adopted.

Now, as for the date which was chosen for this meeting I want to say that it is conceivable that a quorum might have been reassembled in Washington last Thursday or Friday. The leadership considered both days—after the House had acted. But the leadership also considered that it had previously promised very ample notice to all Members as to the date for reconvening. Members were understandably scattered far and wide and some had just about got their shoes off at home for the first time in days.

In terms of substance, it meant little whether the Senate reconvened on Thursday or Friday or Monday. But in view of the President's request, it was most urgent that it reconvene in the present session to dispose of this measure. So, the date of Monday, December 30, was agreed upon by the leadership on both sides and notices sent out on both sides.

Of course, some Senators are especially inconvenienced by this date. The majority leader is among them. He has had a long-standing engagement in California—perhaps the most important non-Senate engagement which he has had in a year or more—which has had to be rescheduled. But any date selected would have troubled some Senators or other.

Yet, our obligations in the Senate must prevail. So I am here. The minority leader is here. And other Senators are here. May I say that it means a great deal to the Nation, to the President and to the Senate as an institution that we are. And that, in itself, ought to be recompense for the inconvenience which any of us may suffer.

I can only express my personal respect for the high sense of responsibility which has been shown by the Senate in this instance. It is my hope that today's meeting will be brief, that the business at hand will be disposed of promptly, that

we will adjourn sine die until January 7 and that the few days remaining before the next session will be as untroubled as the conscience of the Senate has a right to be.

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

Mr. PASTORE. I yield.

Mr. HRUSKA. Mr. President, I should not like the declarations that were made prior to the second statement by the majority leader to convey the impression or to record the idea that there was not some resentment and some inconvenience beyond the very gentle statements made by gentlemen like the Senator from Florida and the reference to skiing in Montana. There is considerable question as to the necessity for the session today. The Congress has adopted a continuing resolution that will finance foreign aid to January 31. An amount totaling \$7.5 billion is in the pipeline. There was supposed to have been—and I suppose there was—consultation with Senators who wished to be consulted. But it is a little difficult to consult at a distance of 1,400 or 1,500 miles. I presume that fact would have some bearing on the situation and perhaps put a good deal of burden on the leadership. We expect the leadership to make decisions when we are not here.

Nevertheless, I am among the group of Senators who are somewhat displeased. I thought the session today was unnecessary, and that the Congress would meet on January 7. We could have met on January 6 and not have consumed a great deal of time in traveling to Washington and then returning to our respective schedules.

Apparently the basis for the scheduling, as very clearly expressed, was not any special consideration for the wishes or desires of the senior Senator from Oregon, but rather the Presidential wish.

I have every good wish for our new President, President Johnson. We should accommodate him in every feasible way. But I respectfully suggest that perhaps we had better operate this end of Pennsylvania Avenue.

As a Senator, I cannot quite see the necessity for a session today in the middle of the only 2 weeks of uninterrupted vacation that we could conceivably have had since last January 3 for the purpose of gratifying the Chief Executive's wish. I make that statement in all due respect to him and in all due respect to the leadership, both the minority and the majority.

Mr. MANSFIELD. Mr. President, I appreciate the comments made by the distinguished Senator from Nebraska. He need have no fears that, so far as the Senate is concerned, it will look after its own business in its own way. But I point out that any President is entitled to a modicum of courtesy. When the President makes an urgent request, the least we can do is to endeavor to comply with it. We do not have to, but a spirit of comity should be observed. I do not believe that the request indicates in any way, that the Senate will lose its independence; nor will we cross the line that divides the executive branch from the legislative branch of the Government.

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

Mr. PASTORE. Mr. President—
The ACTING PRESIDENT pro tempore. The Senator from Rhode Island has the floor.

Mr. PASTORE. Mr. President, who has the floor?

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

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

Mr. PASTORE. I yield to the Senator.

Mr. HRUSKA. I would be the last to object to any expression of preference on the part of the Chief Executive if it were on a necessary point, if there were some sense or some need for the action we are about to take today—presumably—but I do not see that there is any necessity for it.

The continuing resolution will be in effect until January 31.

There is the stupendous sum of \$7½ billion in the foreign aid pipeline. The foreign aid program would not miss a single beat if instead of meeting today we did convene on January 6, and were to adjourn sine die after action on this conference report and then resume in the second session on January 7.

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

Mr. PASTORE. Before I yield—and I shall yield in a moment—I think the record should be set straight. There is an absolute necessity and there is an absolute need for the Senate to meet today to consummate this business before the beginning of the new year.

I hope that Senators will read the exhaustive record of the hearings that took place in connection with the foreign aid bill.

The continuing resolution is predicated upon an authorization of \$3.9 billion for last year. This year the appropriation is to be \$3 billion, with \$259 million of unobligated funds to be reappropriated for use. That is money which was not used previously.

The \$7 billion in the pipeline is committed money. That money is all obligated. Assignments and commitments of it have been made in the past.

We are now dealing with commitments to be made in the future.

I raised this question with the Secretary of State, Mr. Rusk. I raised this question with the Chairman of the Joint Chiefs of Staff.

The remarkable thing is that every day that elapses without enactment of the bill is a day wasted, with more expense for the taxpayers. First, the administrative officers do not know to what extent they can commit money. Second, all the military procurement is made in conjunction with the procurement by the Department of Defense. So the longer we wait the more expensive the process becomes.

That is the reason why this action is absolutely essential. That is the reason why this action is absolutely necessary. We must do our work now and not wait another day or another week or another month under any continuing resolution. Already this process has cost the taxpayers many more millions of dollars

than it would have been necessary to pay had the foreign aid bill been passed several months ago.

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

Mr. PASTORE. Now I yield to my friend the Senator from Colorado.

Mr. ALLOTT. Mr. President, I disagree for the most part with the distinguished Senator from Rhode Island. Waiting another week to pass the bill would not cost the country any money. The reason why this process has cost the country money has been the interminable delay occasioned by the other body in reporting appropriation bills to the Senate.

Because I have seen the distinguished majority leader criticized for the way he has operated the Senate, I wish to say that in my opinion he is one of the finest majority leaders the Senate could have. He has great integrity. He is always courteous, even under the greatest stress and in the most trying times. He endeavors, so far as he can, to accommodate himself to the individual needs of Senators. This is not always possible, and I have found that out, as has every other Senator. One cannot hold 100 Senators still to suit the convenience of only 1.

So the real trouble does not lie with the leadership of the Senate. It does not lie with the rules of the Senate. The real trouble seems to lie mostly with the other body, which cannot move.

I shall speak now of action on the appropriation bills.

The Senate received the Interior Department appropriation bill on April 3. It was reported to the Senate on May 22.

The Senate received the Treasury-Post Office appropriation bill on April 8, and it was reported to the Senate on May 3.

The Labor-HEW appropriation bill was received by the Senate on May 1, and was reported on August 1. Perhaps that is not the speediest of action, but certainly it is reasonably speedy.

The Agriculture appropriation bill was received on June 10 and reported in the Senate on September 12.

The legislative appropriation bill was received on June 13, and was reported on June 25.

The State, Justice, Commerce appropriation bill required the longest time for action. This was primarily because the distinguished chairman of that subcommittee was involved in other obligations which the Senate had heaped upon him. That bill was received June 19 and was reported December 5.

The Defense Department appropriation bill was not received until June 27, 3 days before the end of the fiscal year. The bill was reported, despite that, on September 17.

The District of Columbia appropriation bill was not received until 15 days after the beginning of the fiscal year. It was reported on November 6.

The Independent Offices appropriation bill, which involves the second largest single appropriation made, was not received by this body until October 11. That was 2½ months after the beginning of the fiscal year. That bill was reported to this body 1 month later.

The military construction appropriation bill was not received until November 19. It was reported on December 6.

The civil functions appropriation bill was received on November 20 and was reported on December 5.

The foreign aid appropriation bill—a bill on which the distinguished Senator from Rhode Island [Mr. PASTORE] has worked so hard, and has done an excellent piece of work—was not received until December 17, and the bill was reported in the Senate on December 17.

Mr. PASTORE. Mr. President, will the Senator repeat that statement? The bill was reported to the Senate on the very same day it was received from the House?

Mr. ALLOTT. That is entirely correct. I shall finish my thought. That was possible only because the subcommittee of the Committee on Appropriations, under the chairmanship of the distinguished Senator from Rhode Island, had proceeded to hold its hearings and was able to report the bill, after marking it up, soon after it was received from the House.

Now I should like to say a word in conclusion, if the Senator will indulge me further.

The trouble, if there is any, is not in the leadership. It is not in the rules. It lies in the desire and the will of Congress to act.

I should like to leave Senators with one thought. It is not necessary that Congress spend the entire fall in this city. Contrary to what the general public may believe, the time in the fall is not used by Senators as a vacation time. Most Senators I know work harder during the 3 months they may be at home than they work in this place, if that is possible. At least, they work without the facilities and the staff available here.

The most dangerous thing which could happen to this country would be to continue the policies of the past 2 years, and to keep Congress in session most of the year, to keep Members of Congress insulated from their constituents and to keep their constituents insulated from them.

I confess gladly that I feel I need, and want, the advice of my constituents, when I go home in the fall and have an opportunity to travel over the entire State. If we continue the practice which seems to be an accepted policy in the Senate, of remaining in session the year-round, we shall go farther along the road toward destroying real representative government than by anything else we could possibly do.

I hope that, as we face the new year, we shall try to speed up the processes and get to work in order that Congress may adjourn at a reasonable time, so that Members of Congress will have an opportunity to reestablish their contacts with the people at home.

It is not a question of building political fences; it is a question of knowing how to represent the thoughts and thinking of the people whom we individually represent.

So I disagree with my friend from Rhode Island only in one respect—that is, I think this meeting today—and I agree with the distinguished Senator

from Nebraska—is entirely unnecessary. Nothing would have been lost. We have satisfied the demand of the President. We are here, each and every one of us; let us act on the bill.

Mr. ALLOTT subsequently said: I have prepared a very simple tabulation of various items in the foreign aid re-

port showing the action of the House, the Senate, and the conference. I ask unanimous consent that it be printed in the RECORD at the conclusion of my former remarks.

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

H.R. 9499—Conference report recapitulation

Item	Conference report	Senate	House
Development grants.....	\$155,000,000	\$175,000,000	\$150,000,000
International organizations.....	116,000,000	130,903,000	100,000,000
Supporting assistance.....	330,000,000	380,000,000	300,000,000
Contingency fund.....	50,000,000	32,900,000	50,000,000
Inter-American social and economic cooperation.....	135,000,000	180,000,000	100,000,000
Alliance for Progress (loans).....	375,000,000	425,000,000	350,000,000
Alliance for Progress (grants).....	80,000,000	100,000,000	80,000,000
Development loans.....	687,300,000	800,000,000	600,000,000
Military assistance.....	1,000,000,000	977,700,000	1,000,000,000
Peace Corps.....	92,100,000	98,100,000	89,000,000
Administration expense.....	(19,900,000)	(20,300,000)	(19,500,000)
Ryukyu Islands—administrative information expense.....	2,300,000	2,300,000	2,000,000
Assistance to refugees in the United States.....	39,717,137	39,717,137	56,000,000

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

Mr. PASTORE. In just a moment.

I am referring now to page 388 of the hearings. The title of that subsection is "Effect of Postponement and of Action." It reads:

Senator PASTORE. The House has not reported out its bill yet? If this thing goes over until January, what will be the situation? Can you give us your reaction to that?

Mr. BUNDY. I can say it is not exactly administratively easy at this point because we are losing time and we are going to have more unexpended balances and other problems because we can't obligate funds for the major programs until we are sure where we stand.

Senator PASTORE. Would you venture an opinion how important it is to pass this bill before January?

Mr. BUNDY. I think it would be of the greatest possible help to us, sir. You can imagine the position we are in at this point, trying to develop a fiscal year 1965 budget, trying to plan procurement, and above all trying to get this money to work. We are careful about spending and should be.

Senator PASTORE. How about the difference between these December and January?

Mr. BUNDY. It would still make a very considerable difference.

Senator PASTORE. It would?

Mr. BUNDY. It really would.

That is the answer that was given to the committee at that time. It was followed up by that of Secretary Rusk, and it was followed up further by the statement of General Taylor, Chairman of the Joint Chiefs of Staff. They made it abundantly clear that a delay would be expensive, because they would not know where they stood. The continuing resolution was based on a \$3,900 million amount and the bill that is being acted on is to be in the amount of \$3¼ billion. Therefore, these people did not know how far they could go in committing and obligating moneys over and above that amount. I call attention to the fact that under the military assistance program, procurement is made together with military procurement for the Army, Navy, and Air Corps, and a better price is obtained in buying what is needed at one time.

That was the reason why the Senator from Rhode Island made it his business

to hold hearings on the bill before it was reported out of the committee of the House.

The mere fact that the House was late is no excuse why the Senate should be dilatory. The bill was passed in the House on December 16, and was reported by the Senate Appropriations Committee on December 17, on the same day it was referred. That is unusual. It was done because the Senator from Rhode Island thought it was necessary to have expedited action on it.

Mr. HRUSKA. Mr. President, will the Senator yield briefly?

Mr. PASTORE. I yield.

Mr. HRUSKA. Let me say that Senators have cooperated, not only by attending the committee sessions, but when it was called up in the Senate on the following day for consideration, no Senator objected to its immediate consideration. Had a Senator done so, it would have been necessary for a 3-day layover under the rules and the Senate could not have proceeded to consideration of the bill until Saturday. So we also cooperated.

This is the 183d day after July 1, the beginning of this fiscal year. There are 8 days until January 6, 4 of which are not working days. If that number of days makes such a difference to the administration of foreign aid, it must be in far worse condition than those who have criticized and talked against it have said.

Mr. PASTORE. I appreciate that the Senator, as a member of the Appropriations Committee, has cooperated. All I am asking him to do is to cooperate today, to get our business done, because it is absolutely necessary. I want to read one paragraph from page 391 of the hearings. It was General Wood talking:

PURCHASING PROBLEM

General WOOD. It is a little more than a nuisance, sir. For example, the military departments make all of our purchases. We don't have a purchasing agency. They try to tie in large purchases, trucks, personnel carriers, tanks, airplanes, with their own purchases and thereby get the benefit of a better cost.

That was the testimony before the committee. That is the testimony that calls for the action we are taking here today.

I commend both the majority and minority leaders for the way they have conducted the business of the Senate, particularly on the foreign aid bill.

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

Mr. PASTORE. I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I happen to be one of those Senators who, a week ago last Saturday, expressed the opinion that there was no need to pass the foreign aid appropriation bill now. I used words such as "whimsy" and "fancy" in referring to the idea that it had to be done now.

The Senator from Rhode Island has read certain statements from the hearings on the bill, and from them he has concluded that it is absolutely necessary to pass the bill today; and that if we do not do it, it will cost more money. I did not make the statement I did a week ago last Saturday without taking into account the possible cost. With all deference to the Senator from Rhode Island, who has done much hard work on the bill and has expedited action on it, I disagree with his reasoning as to why we would lose money if the bill were not acted on today.

The AID administration knew, on December 20, that they were not going to get more than \$3 billion plus the \$250 million carryover. I find it inconceivable, if action on the bill were delayed from December 20 or 30, to January 6, that anybody in AID would spend more money than at the rate of \$3,250 million. They knew the amount was fixed. The only question was when Congress would act on the bill. I cannot believe any effective administrator would go ahead and spend money at a greater rate in the face of that fact. So if action were delayed until January 6, as the Senator from Nebraska has suggested, it would not cost more money at all.

What we have been doing, however, has cost money, not only to individual Members of the Senate and the House, but to staff members. There has been a great deal of unnecessary expense in forcing action on this bill now.

If it had been necessary, I do not know of any Member of the Senate or of the House who would not have been happy to work on Christmas Day. I do not think it is necessary to act on this bill now. I do not want the RECORD to indicate that if action were delayed until January 6, it would cost the Government any more money.

Mr. PASTORE. The Senator is entitled to his opinion. I disagree with him. He disagrees with me. It is not the first time. It will not be the last time. I repeat, every day of delay means additional cost. I do not care who states otherwise—it will cost more money. That is the statement I make. That is the statement that has been corroborated by witnesses from the Agency whose duty it is to carry out the program.

Mr. MILLER. The statements at the hearing were made before the amount was agreed upon by the conference committee. I would not have quarreled with those statements under the circumstances in which they were made,

but once the amount of money was settled on by the conference committee, anyone in AID who would spend more money than at the approved rate would not have used very good judgment.

Mr. PASTORE. The Senator has been in the Senate long enough to know that not a single Government agency can know for certain what the Congress is going to do. The mere fact that we were talking about \$3 billion is no authority for any agency to begin spending money until Congress passes the bill. I never heard of a more ridiculous argument.

Mr. MILLER. I suggest that if this matter were settled by the conference committee, anyone in the AID administration would be foolish to make any commitments beyond the \$3 billion figure.

Mr. PASTORE. But no one in the AID administration would have legal authority to do that. He would have no right to take any figure until the bill had been passed.

Mr. MILLER. He certainly should have the good sense to not exceed the \$3-billion figure. That is the point I am making.

Mr. PASTORE. The only right he has is contained in the continuing resolution, which gives him the authority to spend money according to the appropriation of last year.

Mr. MILLER. That is correct. However, he does not have to use that authority. It would be foolish indeed for him to go over the \$3 billion figure.

Mr. PASTORE. That is entirely apart from the point I make. He would have no legal authority to do so. The Senator from Iowa knows that the AID administrators cannot exceed that authority.

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

Mr. PASTORE. I yield.

Mr. HOLLAND. I wish to supplement what was stated a few moments ago by the distinguished Senator from Colorado [Mr. ALLOTT], about the unnecessary delays which have occurred in the other body.

The conference report on the agricultural appropriation bill was adopted in the Senate at 6:30 a.m. on December 21. That bill carries an appropriation of approximately six and a quarter billion dollars. I want the RECORD to show the fact that on September 30 the Senate passed the agricultural appropriation bill and appointed conferees. The other body allowed that bill to languish on the desk for 6 weeks without appointing conferees. It appointed conferees on November 14. This is another example of long delays in the other body that we have experienced in the handling of appropriation bills.

I want the RECORD to show that fact, because, as the Senator from Colorado has correctly stated, inaction in the other body has accounted for long delays in the handling of appropriation bills.

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

Mr. PASTORE. I yield.

Mr. COOPER. I made some remarks on December 24th which I believe I should repeat. I believe the conference

report should be adopted today—before the first of the new year, because—to use a word which we use in Kentucky—it would be "trifling" to wait until 1964 to pass a bill which is scheduled to pass in 1963. It would have been better if the Senate had worked on the conference report on the 23d when we were called into session. Everyone knew that the House would be called back on the 23d and that it would act upon the conference report and we could have completed our work on the same day.

It would have been more reasonable to have stayed here through the 23d or 24th and acted on the conference report.

I believe it is somewhat negligent on our part if we do not pass the appropriation bills earlier and in the session they are supposed to be passed.

The important thing now is to prevent this situation from occurring again. There are some practical measures that could be taken early in the next session. First, we could adopt a rule which the Senator from Rhode Island is sponsoring, with other Senators, including myself: the rule of germaneness in debate.

The Senator's resolution provides that, for at least 3 hours after a bill or resolution becomes the pending business of the Senate, debate shall be germane. The adoption of such a rule would speed up the work of the Senate and create greater interest in the debate. I hope the proposed rule will be adopted in January 1964.

Mr. PASTORE. I am in complete agreement with what the Senator has said. It is regrettable that the House took as long as it did. However, there is nothing we can do about it. Certainly we have no jurisdiction over the House. They chose to act in that way. However, that situation does not excuse any delay on our part. We should be diligent.

The point has been made that we should have come back on the 26th of December. I suppose the leadership did not want Senators to leave their warm turkey on the table and start jumping into planes to get here. To have come back here then would have been all right with the Senator from Rhode Island. He was ready to act on the 23d, or 24th, or 25th, or 26th. However, that was the decision made by the leadership, and the leadership has been trying to do the best it can, not merely to accommodate every Senator. It is their decision that the Senate meets today.

Mr. COOPER. I believe the conference report should be adopted today. That is my first suggestion. It would have been better if we had remained here on the 23d and the 24th and acted upon it. However, I wish to address my remarks for a minute to an important point—that this situation should not recur. Congress is under criticism for delaying action upon legislative matters. I have said that I believe we should adopt a rule of germaneness in debate. The adoption of such a rule would bring about a great deal more interest in debate, and would speed up our work on the Senate floor.

I also suggest to the leadership that in the coming session something should be

done about scheduling consideration of matters by the Senate, in the first month of the session. We need not every day, when there are no bills to be debated. I would suggest that 3 days out of every week be given over to the work of the committees. If this were done, committee sessions would not be limited to 2-hour meetings, from 10 a.m. to 12 m. in the morning, and they could sit from 10 to 5 on every one of the 3 days. Bills could be considered and acted upon by committees, and the Senate could proceed with its work on the floor. A great deal of delay occurs in the first 3 or 4 months of the session of the Senate, and I hope something can be done about this situation.

Mr. JAVITS. Mr. President, I have come back from as far away, I believe, as anyone could come back to the Senate. I have come back from the west coast of Mexico. I am glad that I did, because the Senate as an institution is very dear to me, as it is dear to the Nation.

I have a very deep feeling, based upon contact with many New Yorkers and Americans in other States during the year, that there is a great need to keep this institution high in the public esteem, because Congress' standing has suffered seriously in the eyes of the American people, and that feeling of respect of the people for the Congress is perhaps as important as what is set out in the Constitution itself for the Congress to do. The least any of us can do, therefore, is to do our very best to maintain the distinction and honor we have by doing our business promptly and with expedition.

I agree with what the Senator from Kentucky has said about the resolution on germaneness of debate for some hours in each day of the Senator from Rhode Island. I hope that also a resolution providing for a commission to make a review of the procedures of Congress will be adopted, and without limitations as to the area of its inquiry, so that Congress may be able to act and proceed in the way in which the people of the country want our business to be transacted.

Finally, I am glad to have come back, because if this situation signals the importance which foreign aid continues to have in the eyes of the Senate and of a majority of the people of the Nation, it is a good thing. It is the only real offensive—as distinguished from the defensive—we have against communism in the world. Until someone proposes something better—and I am trying to do that myself through efforts in connection with the private enterprise system, under provisions now incorporated in the bill—to carry on this program we must carry it on with vitality and conviction. One of the ways of showing conviction is by coming back, when necessary, and in so difficult a way for many of us, in order to conclude action on the bill before the year ends. So I commend the Senators in the conference. I am glad that I have returned to be a party to completing the task in the way in which it ought to be done.

Mr. DIRKSEN. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield to the distinguished minority leader.

Mr. DIRKSEN. I wonder if we can now "get the show on the road" and complete the work that brought us back.

Mr. PASTORE. No greater mark of respect and admiration could be shown to our leadership, both majority and minority, than to say we transacted our business expeditiously.

Mr. HICKENLOOPER. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. HICKENLOOPER. This discussion is very interesting and probably will contribute much to the thinking of many Senators. But perhaps we are missing the point. So far as I am concerned, I shall not beat my breast and say what great sacrifices I have made. I have been available practically all the time. I took 2 days off at Christmas because Congress was not meeting. Unfortunately, I did not spend Christmas with my grandchildren. Otherwise, I have not been greatly inconvenienced by this situation. I have been ready to act at any time. That is a part of the job. That is what I am paid for. I have been willing to be here. It was not necessary for a Presidential plane to go around over the country to pick me up somewhere or to take me home. So that part of the situation is completely extraneous, so far as I am concerned. We are beating our breasts, dressing ourselves in sackcloth, and throwing ashes over ourselves as a Congress when we should not be required to do so.

Congress is a great institution. It is composed of representatives of the people. The delays which have occurred at this session have not been solely the responsibility of Congress or the leadership. The delays have occurred because programs have been suggested and some influential efforts have been made by sources other than Government to compel Congress to accept programs it does not want to accept. That is what has caused the delays, in many instances, in Congress this year. It is not that Congress is impotent or cannot act; it is that Congress has been, in effect, albeit quietly, exerting its own resistance to programs which, in many cases, Congress and the people of the United States do not want to take up under compulsion, if you please, and political pressure. If one wishes to analyze the delays that have occurred this year, let him not blame Congress entirely.

The newspapers have been full of stories about the terrible roadblocks thrown up by the great ogre of the Republican membership of Congress. Heaven bless them. The Republicans must be mighty mites, indeed, if they can block the two-to-one majority that the Democrats and the administration have in Congress. But, oh, how the columnists and newspaper reporters bleed because the awful Republicans are standing, apparently like Horatius at the bridge, to block the progress which is being demanded. I wish the Republicans were so powerful.

I have one suggestion. I hope the report can be agreed to today. We talk about the dangers of communism in one breath, and in the next breath we help

the Communists by providing them with the credit of the Federal Government. That has been the principal trouble with the report. We help the Communists, in one breath, and we criticize them in the next.

But let us "get the show on the road" and get the bill out of the way. I am ready to vote.

SEVERAL SENATORS. Vote! Vote!

Mr. HICKENLOOPER. That calls for 15 minutes more of speaking on my part. I am sorry I have taken so much of the time of the Senate this year in lengthy debate. I apologize for that.

Mr. PASTORE. The Senator from Rhode Island has yielded to the Senator from Iowa.

Mr. HICKENLOOPER. I have but one further comment to make. As I have said, I want to "get the show on the road." However, one thing should be apparent—and this is my personal view: Congress and the people are unhappy, concerned, and confused about foreign aid. It is not necessary to argue that point.

The President has proposed to establish a self-purging or self-investigating body in the Department of State to examine the foreign aid structure and to report back by January 15. Does the speed with which this administration is acting—or with which any other administration could act—indicate that such a body could possibly report back any kind of intelligent opinion and result by January 15? Of course it could not. It will be a self-policing group of estimable gentlemen in the State Department. How much will they be able to criticize themselves concerning the things that need to be criticized in respect to foreign aid?

While we did not agree fully on all the verbiage, the Senator from Kentucky [Mr. COOPER] proposed a most proper and helpful series of amendments designed to investigate the foreign aid program. I suggest that in addition to any consideration which we gave to the amendments offered by the Senator from Kentucky, we now consider the establishment of a committee—probably a joint committee—to consider the verbiage, because this suggestion at the moment is off the top of my head, and probably sounds that way. Nevertheless, I suggest that we consider the establishment of a committee of Congress—a small committee—to examine into the feelings and the attitudes of Members of Congress concerning the foreign aid program. As a result we should have a better picture of the program next year, together with the feelings of Members of Congress. Then it will not be necessary to become involved in emotionalism in debate on the floor of the Senate or in committees. By avoiding emotionalism, next year we can consider the soundness of the program and its details.

If something like that is not done—if Congress itself does not create a self-examining group—that is what I am suggesting, and I hope the verbiage can be prepared a little later—there will be a repetition next year of the situation we have had this year. It is in this way that I believe Congress can help itself to

expedite action in the field of foreign aid.

Mr. PASTORE. The Senator from Iowa has proposed an excellent idea. I do not know why the proposal that he makes could not be handled by the Committee on Foreign Relations. It is the responsibility of that committee to deal with the foreign aid authorization. There ought to be an investigation, and the Committee on Foreign Relations ought to undertake it.

Mr. HICKENLOOPER. I suggest this proposal in full awareness of the fact that foreign aid is the primary responsibility of the Committee on Foreign Relations and the Committee on Appropriations.

Mr. PASTORE. The investigation could be a joint venture.

Mr. HICKENLOOPER. Conducted by the two committees of the Senate and the two committees of the House. Perhaps it would be helpful if, in searching for the attitudes, opinions, and orientation of Senators, the investigation were enlarged a little, so that it would not be confined exclusively to those committees for the purpose of sensing opinions and sensing attitudes.

Perhaps there is nothing to the idea. Perhaps it is too unworkable or impracticable, but I am giving it some thought; and in the future I should be delighted to talk to the Senator from Rhode Island [Mr. PASTORE], the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the committee, and other Senators. I believe we can save a great deal by a little preliminary work, at the beginning of the new session, on the attitude as to how far we should go and what we should do, because certainly I do not wish a repetition of the confusion which has obtained this year in the minds of Senators as to how far we should go and what we should do on the subject of foreign aid, whether it is good, bad, or indifferent.

Perhaps we can answer many of the questions prior to the time of emotional debate on the floor of the Senate or the House.

I thank the Senator from Rhode Island for his courtesy in yielding to me.

Mr. COOPER. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. COOPER. The senior Senator from Iowa [Mr. HICKENLOOPER] has referred to a proposal which I have made for 2 years, and I appreciate his reference to it. I am not a member of the Foreign Relations Committee, but I have supported foreign aid. I support it because I believe it is a necessary arm of our foreign policy, when used effectively.

But for 3 years, I have insisted that an independent evaluation must be made of our aid program if it is to survive. In my view, the cuts were inevitable; and I voted for them because I did not believe the Congress or the country had information upon which to make a correct evaluation of our foreign aid program.

Last year, I proposed that the foreign aid program be evaluated by independent groups drawn from the public as well as from the Government. That proposal was adopted by the Senate, but it was stricken by the House.

This year, I again proposed the same amendment, and it was adopted by the Senate by a vote of 79 to 1. Although the amendment was somewhat eviscerated in the conference, the report does authorize the President to appoint committees, from the public, to evaluate the foreign aid program either in specific areas or in specific countries.

I believe that unless this evaluation is made, the foreign aid program will be ended. I do not believe it would be right for it to be ended totally because in certain countries and areas of the world our aid is needed.

I have stated that I believe the President of the United States has made a good start by appointing an interdepartmental committee to examine the foreign aid program, but I noted that its examination was directed chiefly to the structure of the foreign aid agency. There have been 5 of these agencies since the Marshall plan, and 11 administrators. I still contend that the work of the Clay Committee, which had broad scope, must be extended. It should be extended to specific areas and to the 15 or 16 countries which receive one-half of our total foreign aid appropriations.

I had a rather unusual experience this year: After I had submitted my amendment, representatives of the foreign aid agency came to see me. They wished to have me explain the purposes of my amendment.

I told them frankly that I did not believe it is sufficient to have only the foreign aid agency report on the aid program. It may not be a just and fair response, but it is evident that neither Congress nor the people are very much convinced by the reports which the foreign aid agency makes. I further stated that unless there is an independent evaluation extending the work of the Clay Committee, I believe the foreign aid program would die. One of the representatives of the foreign aid program then, and I make it clear it was not Mr. Bell, said to me: "We do not want some one looking over our shoulder."

I said that it is not their program, but is the program of Congress and the country, and is designed to give strength to the President's arm in the conduct of our foreign policy.

I repeat what I said: "I think that the aid program is going to die, although it should not die in the countries where it is doing good and can continue to do good. But it is going to die unless an independent evaluation, along the lines of the Clay Committee report, is made of its operations in specific areas and countries."

In the long debate on this subject—the first thorough debate on it, which I have heard since the Marshall plan was adopted—the Senator from Oregon who is chiefly responsible for the debate, stressed this necessity. I believe the new President of the United States has a great opportunity. If he will obtain an independent evaluation of our aid program, it can be made more effective and it will gain the respect and the cooperation of the countries we aid.

From his experiences in the Senate, and from the informed reports he made to Members of the Senate after return-

ing from trips, as Vice President, President Johnson has great knowledge of the practical working of our aid programs; and I believe he will insist that it be effective.

If independent assessments are made, and basic information provided, Congress and the people will know whether our program is valuable, and in what countries it is valuable.

In this connection with my remarks, and with this debate, I ask unanimous consent that three articles, one from the Washington Sunday Star of yesterday, and two from the Washington Post of yesterday and today, be inserted in the RECORD at this point.

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

[From the Washington (D.C.) Star, Dec. 29, 1963]

COOPER SPURS ADDED STUDIES OF FOREIGN AID

Senator COOPER, Republican, of Kentucky, told the administration last night that, unless it provides an independent appraisal of foreign aid, the program will be abolished by Congress.

Senator COOPER, in a statement setting forth his views for President Johnson, commended the President for setting up an interdepartmental committee to seek ways to bring new efficiency and economy to the program.

But he insisted its work should be supplemented by country-by-country foreign aid studies by businessmen and others from outside government.

GREAT IMPACT

Senator COOPER said that a Presidential Commission headed by Gen. Lucius D. Clay made a "great impact on the country in its evaluation of the total foreign aid program" early this year.

He added that its work should be followed by the President's appointment of small committees of three to five members, a majority drawn from private life, to provide Congress and the country "full and objective information concerning the effective use of aid funds in individual areas." He said such committees could work under the direction of the Clay group.

Senator COOPER's views were supported in separate interviews by Senators PROXMIER, Democrat, of Wisconsin; MORSE, Democrat, of Oregon; and HICKENLOOPER, Republican, of Iowa; the latter the senior Republican on the Senate Foreign Relations Committee.

SENATORS RECALLED

Senators have been called back from their Christmas holiday vacation to a 10 a.m. session tomorrow to complete congressional action on a \$3 billion foreign aid money bill, slashed \$1.5 billion below the \$4.5 billion requested by the late President Kennedy.

Passage of the bill, which includes a controversial amendment giving President Johnson authority to approve credit guarantees on wheat and other sales to the Soviet bloc, will clear the way for Congress to adjourn. It will reconvene January 7 in a new session.

Mr. Johnson has set up a review of the objectives and organization of the foreign aid program by a Government committee headed by George W. Ball, Under Secretary of State.

Senator COOPER said he is glad Mr. Johnson has asked the Ball Committee to consider structural changes in the Agency for International Development. However, he added:

"But the important issue before Congress and the country is not so much the structure of aid but whether foreign aid appropri-

tions are effectively used in the countries we aid."

REVIEWS STRESSED

Senator COOPER feels that reviews should be made on a country-by-country basis in the 15 to 20 countries that receive half of the total economic aid to determine whether (1) American assistance is meeting development needs, (2) beneficiary countries are providing maximum self-help, and (3) programs which do not further these objectives are being eliminated.

The Senate has twice adopted Cooper amendments aimed at this purpose.

This year's amendment provides authority for the President to appoint such committees.

Senator PROXMIER said the appointment of the Ball Committee is wonderful but that he hopes its work will be supplemented by "a more profound and objective appraisal" by outstanding private businessmen, university people and other experts.

VESTED INTEREST

"After all, governmental people have something of a vested interest in the program," he told a reporter.

Senator HICKENLOOPER said an investigation by outsiders is important and could provide a real benefit. He added that, under the governmental setup, "the State Department and the AID agency will be looking into themselves."

Senator MORSE, a supporter of the Cooper proposal, said he fears any move to make "the executive supreme."

"Congress has a duty to take a long, hard look at any program the executive submits," he added.

[From the Washington (D.C.) Post, Dec. 29, 1963]

FULL-SCALE AID PROBE DEMANDED—SENATOR COOPER ASKS INDEPENDENT LOOK INTO USE OF FUNDS

(By Ernest B. Vaccaro)

Senator JOHN SHERMAN COOPER, Republican, of Kentucky, told the administration last night that unless it provides an independent appraisal of foreign aid, the program will be abolished by Congress.

COOPER, in a statement setting forth his views for President Johnson, commended the President for setting up an interdepartment committee to seek ways to bring new efficiency and economy to the program.

But he insisted its work should be supplemented by country-by-country foreign aid studies by businessmen and others from outside Government.

COOPER said that a Presidential Commission headed by Gen. Lucius D. Clay made a "great impact on the country in its evaluation of the total foreign aid program" early this year.

URGES SMALL COMMITTEES

He added that its work should be followed by the President's appointment of small committees of three to five members, a majority drawn from private life, to provide Congress and the country "full and objective information concerning the effective use of aid funds in individual areas." He said such committees could work under the direction of the Clay group.

Mr. Johnson has set up a review of the objectives and organization of the foreign aid program by a Government committee headed by George W. Ball, Undersecretary of State, to consider revamping assistance criteria.

COOPER said he is glad the President has asked the Ball committee to consider structural changes in the Agency for International Development (AID). However, he added:

"But the important issue before Congress and the country is not so much the structure of aid but whether foreign aid appro-

priations are effectively used in the countries we aid."

His views were supported in separate interviews by Senators WILLIAM PROXMIER, Democrat, of Wisconsin, WAYNE MORSE, Democrat, of Oregon, and BOURKE B. HICKENLOOPER, Republican, of Iowa, the latter the senior Republican on the Senate Foreign Relations Committee.

Senators have been called back from their Christmas holiday vacation to a 10 a.m. session Monday to complete congressional action on a \$3 billion foreign aid money bill, slashed \$1.5 billion below the \$4.5 billion requested by President Kennedy.

ADJOURNMENT IN SIGHT

Passage of the bill, which includes a controversial amendment giving Mr. Johnson authority to approve credit guarantees on wheat and other sales to the Soviet bloc, will clear the way for Congress to adjourn. It will reconvene January 7 in a new session.

COOPER feels that reviews should be made on a country-by-country basis in 15 to 20 countries which receive half of the total economic aid to determine whether (1) American assistance is meeting development needs, (2) beneficiary countries are providing maximum self-help, and (3) programs which do not further these objectives are being eliminated.

[From the Washington (D.C.) Post, Dec. 30, 1963]

JOHNSON GAINED AID-BILL SUPPORT AFTER ASIA TRIP

(By Helen Fuller)

The enthusiasm would not last until the votes were taken on the Kennedy foreign aid bill for 1962, but Lyndon B. Johnson did his part to stir up the opinion makers who influence Congress.

The week President Kennedy returned from his talks with Khrushchev in Vienna with an aching back, United Press International editors from all over the country were assembled in Washington for their annual meeting, and the National Conference of Mayors was gathered in the Capital to discuss plans for civil defense. The President was scheduled to address both groups.

Kennedy made his speech to the editors, and the announcement the following day of the seriousness of his back ailment explained why it had been pallid. Johnson appeared before the editors on the following day, as scheduled, and subsequently he substituted for the ailing President before the Conference of Mayors. At both appearances, he stirred his audience with unaccustomed eloquence.

His journey, he said, had convinced him that "never has it been more important that the Congress and the American public support the efforts of free Asians to banish the curse of poverty, illness, and illiteracy. I know that, given something for which to fight, the people of Asia will man the ramparts of freedom with valor. But you know, as they know, that people do not fight in the steaming jungles to preserve hunger, squalor, and oppression."

He told that most provincial group of men, the mayors of the United States, that America must lead the world or "shrivel up." And when he had delivered a ringing call for foreign aid, citing as a model his own backing of Eisenhower's foreign policy in the 8 preceding years, "The mayors and their wives," a Scripps-Howard correspondent reported, "gave him a ringing, standing ovation, almost as fervently as if he had come out solidly for turning all income tax revenue over to the cities."

MRS. JOHNSON HELPS

Mrs. Johnson helped bring the story to the editors' wives. Instead of entertaining them at an ordinary tea, she enlisted 50 of the best known and most glamorous women

in Washington, including embassy ladies and the wives of Cabinet members, and introduced them to the women whose husbands had been meeting every major male celebrity in town during the week, and rounded out the party with a little speech about where she and the Vice President had gone in Asia and what they had learned.

The Johnsons had turned their Asian trip into good public relations for the Kennedy foreign policy. Dick and Pat Nixon had done the same for Eisenhower; but in the new Kennedy scheme, Johnson had, as Nixon did not, authority to move from advice to action.

The Vice President naturally had paid special attention to his relations with the new civilian chiefs in the Pentagon. He and the new Secretary of Defense liked each other from the start; then Secretary of the Navy John Connally had been Johnson's manager in his senatorial campaigns; and after his years of specializing in military affairs the Vice President found the labyrinthine Pentagon no mystery.

When he returned from Asia, therefore, the Vice President, without announcement, sat down in Secretary Robert S. McNamara's office with the Secretaries of the Army, Navy, and the Air Force, and the Joint Chiefs of Staff, to talk about improvements that could be made in our military missions and in their relations with ambassadorial staffs.

The Pentagon bought some of Johnson's ideas. The President listened to his recommendation that budget watchdogs be sent into the field to keep track of the actual expenditure of foreign-aid funds from the point of appropriation to the point of actual spending. The U.S. Information Agency and the International Cooperation Administration also had the benefit of his not very new advice: Better people are needed overseas.

Ambassador John Kenneth Galbraith, reckoning on the Vice President's desire for effectiveness, managed to squeeze another dividend from Johnson's Asian visit. Trampling through an Indian village with Galbraith, Johnson had been reminded of his first memory of electric lights in Johnson City, Tex. The electricity had been produced by a kerosene generator.

Talking to the Vice President in Washington several weeks later, the Ambassador asked Johnson if he could remember who made that generator. If it was still in production, perhaps the United States could help light some villages in India without waiting for large-scale electrical development.

The Vice President, who recalled seeing the name "Fairbanks" on the generator, made personal inquiries and learned that the remarkably simple and rugged machine was still in small-scale production by Fairbanks-Morse & Co.

After a survey of the generator's potential usefulness in India, some alterations were made to adapt it to deep-well pumping and units were ordered for a pilot project of pumping water and lighting homes in small Indian villages.

ROLE WAS STRATEGIC

All of this was pleasant and satisfying to Johnson's ego. But where the President really needed help was at the Capitol. Here Johnson wanted to be careful to avoid any accusation that he was interfering in the affairs of the Senate. He sized up the situation and the individuals concerned—as he had always done as Democratic leader. But then, instead of taking direct action, he went to the President or to members of his staff with advice and counsel on how to proceed to get the votes.

In some cases, to be sure, the suasion was direct, but for the most part Johnson's role in the drive for a new kind of long-term aid to nations overseas was strategic rather than operational. He was there to be consulted when the majority leader wanted to consult

him, but he was, so to speak, no longer the oil driller but the prospector who points out where to drill.

And the reality of his shift from legislative manipulator No. 1 to No. 2 man in the executive branch was made clear when, in the midst of the congressional battle over foreign aid, the President dispatched the Vice President to Berlin.

Khrushchev had confounded U.S. policy-makers by making a move for which they had planned no countering action. We had concentrated on how to deal with another Berlin blockade if the Communists sought to cut off West Berlin again, as they had in 1948. But when, instead, the Communists sealed the border between East and West Berlin early on Sunday morning, August 13, Washington, as Walter Lippmann wryly observed, "had no policy to deal with what actually happened—unless sending the Vice President and General Clay to West Berlin can be called a policy."

Mr. MORSE. Mr. President, while so many Senators are in Chamber I should like to ask for the yeas and nays on the question of agreeing to the conference report. We are trying to work out a unanimous-consent agreement in that connection. Therefore, I request the yeas and nays.

Mr. PASTORE. Mr. President, I join in the request for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President—

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, the Senator from Kentucky [Mr. COOPER] was very accurate in his estimate of the situation—namely, that no agency of Government which is under criticism or no combination of agencies of Government which are under criticism can successfully investigate itself or themselves and have the results of that investigation accepted by Congress or by the public.

The amendment of the Senator from Kentucky, which provided for an independent evaluation of foreign aid, was lost in the conference, after the Senate had adopted it. I understand that the State Department did not approve it and did not like the idea at all; and the House sustained the view of the State Department. So we had to lose that amendment.

However, I believe that the Senator from Iowa [Mr. HICKENLOOPER] need have no fear but that the Commission appointed by the President to make the study will make its report by the 15th of January. Although I have not received any leak from the Commission, I can predict what the report will be. The Commission under the leadership of George Ball will find that the members of the Commission under his leadership have done an excellent job and will continue to do so in the future if Congress does not interfere, but complies with its request.

So far as I am concerned, the report of the Commission appointed by the President may have some value to the President, but I cannot conceive that it would have any value to Congress.

I still hope that a commission that is independent in fact will make a study of foreign aid, so that thus we can receive, for our guidance, a report in which we can have full confidence, and which we can follow, and thus improve the for-

eign aid program, which all of us know can stand improvement.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the report.

Mr. MANSFIELD. Mr. President—

Mr. PASTORE. Mr. President, I yield to the Senator from Montana, for a unanimous-consent request.

Mr. MANSFIELD. Mr. President, I have discussed the unanimous-consent request which I am about to make with the distinguished minority leader and with the chairman and ranking member of the subcommittee on appropriations which has been considering foreign aid, and with other Senators.

I ask unanimous consent that, beginning immediately, 1 hour be allotted for each amendment to be considered, and 2 hours be allotted for debate on the conference report.

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

The ACTING PRESIDENT pro tempore. Does the Senator from Iowa reserve the right to object?

Mr. MILLER. Mr. President, reserving the right to object—and I shall not object—I should like to have perhaps 10 or 15 minutes.

Mr. MANSFIELD. The Senator will be assured of the availability of that time.

Mr. PASTORE. I shall give the Senator from Iowa that amount of time.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DIRKSEN. Will the Chair restate to the Senate the content of the unanimous-consent agreement?

The ACTING PRESIDENT pro tempore. Under the agreement, time for debate on the conference report will be limited to 2 hours, and 1 hour on each of the amendments in disagreement.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DIRKSEN. In the event of a quorum call, I ask unanimous consent that the time necessary for the quorum call be not charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. SALTONSTALL. What is the question now before the Senate?

The ACTING PRESIDENT pro tempore. The question before the Senate is on agreeing to the conference report. Thereafter there will be debate upon amendments 14 and 20.

Mr. SALTONSTALL. There is now available 2 hours of debate on the question of agreeing to the conference report?

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is correct.

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

Mr. DIRKSEN. With the understanding that the time necessary for the quorum call will not be charged to the time allotted for the debate on the conference report or the amendments.

The ACTING PRESIDENT pro tempore. With that understanding, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oregon is recognized. Does the Senator yield himself unlimited time?

Mr. MORSE. I yield myself such time as I may need.

The vote soon to be taken on the conference report marks the climax of the first thoroughgoing congressional review of foreign aid since the program began in 1947. The changes made by Congress have been relatively minor, compared to the changes that still need to be made. But the cut in funds has served notice upon those who administer the various parts of the foreign aid program that further cuts will be made next year unless there are substantial and basic changes made by the administration, itself, in the foreign aid program.

The Senator from Kentucky [Mr. COOPER] has said that Congress will abolish foreign aid if there is not a review made by men independent from the administration which will determine not whether its procedural and structural setup needs change, but determine the value of our aid programs themselves in each country now participating in them.

The Senator from Kentucky [Mr. COOPER] repeated that warning only a few minutes ago on the floor of the Senate. I shall have more to say later in regard to the nature of the review that ought to be conducted. But I heartily endorse his warning that Congress and the American people will not be satisfied with another shuffling around of functions and programs. We have had so many shufflings and structural changes in aid that they are lost in the haze of paperwork. But they have not improved the program in its basic elements.

I find myself heartily in disagreement with the proposal of the President of the United States that an investigation or study of foreign aid shall be conducted within the executive branch of the Government within the next few days and a report given to the Congress and to the American people by January 15.

Mr. President, that is a pure matter of form and not of substance. The investigation of foreign aid that needs to be conducted cannot possibly be conducted and the reforms that should be adopted agreed to in any such period of time.

Mr. President, the investigation should not be done by special pleaders. By and large, the Commission the President of the United States has appointed consists of a group of special pleaders. That is not the way to investigate and study foreign aid.

Although I support the objective of the Senator from Kentucky, the responsibility for investigating foreign aid rests with the Congress of the United States, and it cannot evade the responsibility. The taxpayers have the right to ask the Congress to carry out its duty to "watch-dog" the expenditures of taxpayers' money. That is not the function of the executive branch of Government. It is not the function of AID.

It is the function of the Senate and the House of Representatives. We have not been doing our duty in that field. We have had languishing before us for many months report after report from the Comptroller General, who is the agent of the Congress of the United States, revealing his findings, on spot checks that he has made around the world that there has been waste of hundreds and hundreds of millions of dollars of the taxpayers' money.

What has the Congress done about those reports? Practically nothing. I shall go along with the Senator from Kentucky for the type of country-by-country investigation that he is calling for. I am perfectly willing to have outstanding laymen in this country associate themselves with such an investigation. But that investigation should be conducted under the auspices of the Congress, and Congress should be duly represented on the boards conducting such investigations. The Senator from Kentucky has that in mind. But the report should be to the Congress, for that happens to be the function of the Congress.

I shall have more to say about the subject later, not only in my present speech, but also next year, for, so far as I am concerned, this is only one battle in the war on the whole subject—if one would desire to use that figure of speech, as it involves foreign aid. I shall lose that battle today, for I am well aware of the fact that the votes are not present to reject the conference report. It ought to be rejected. In my judgment, it is not a sound report.

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

Mr. MORSE. I yield.

Mr. AIKEN. Does the Senator have the feeling that someone in the executive branch might paraphrase Pyrrhus and say "One more such victory over the Morses and we are undone."

Mr. MORSE. I do not believe that anyone has such delusions. Congress has a clear duty under the Constitution to check the expenditure of taxpayers' funds.

Much has been said on the subject in the press. I speak now for the edification of the editors of the New York Times and the Washington Post particularly, although they are not the only editors that need a refresher course on the check-and-balance system of our Constitution. The editors of the Washington Post, the New York Times, and many other publications apparently are on a binge to downgrade the Congress. They are on a binge to becloud the issue before the American people as to the duty and responsibility of the Congress. I say to the various schools of journalism, "You ought to establish a national re-

fresher course for all editors on the Constitution and invite them to come and refresh their recollections—if they ever had any understanding of the Constitution in the first place."

Mr. President, this is a coordinate and coequal three-branch system of government. Such editors as the editors of the Washington Post and the New York Times apparently are at work to subordinate the Congress of the United States to the White House and the executive branch of the Government. I will constantly speak out against that subversive attack on our constitutional system, because whether or not these editors know it, they are engaging in dangerous subversion. We shall have to watch out for the liberties and freedom of the American people if we ever subordinate the Congress under our constitutional system to the executive branch of Government.

I will fight just as hard as anyone in the executive branch of Government to protect the constitutional rights, under this system of checks and balances, of the White House; but I am greatly concerned about a tendency on the part of the press. Of course, the press has an impact on public opinion. It is a terrific force in molding public opinion in this Republic. I am much concerned about the growing evidence of a belief on the part of some members of the public that we ought to set up an all-powerful executive branch of Government and have the Congress function as its rubber-stamp.

That issue is basic in the debate on foreign aid. As the Senator from Kentucky said a few minutes ago, a member of AID told him in his office that they did not want someone from the public "breathing down their necks." That has been the attitude of AID for a long time. It is the present attitude of AID.

We were unable this year to induce AID and the executive branch of the Government to come forth with a reformed foreign aid program. The Foreign Relations Committee, of which I have the honor to be a member, filed with the Senate a sound report on the need for policy changes in the administration of foreign aid.

When I read the report, having been one of those who led the fight within the committee for a reform of foreign aid, I felt like the lawyer who said, after a decision went against him, "I got the language of the court, but the opposing side got the decision." I got the language of the Committee on Foreign Relations, for the committee's report verified criticism after criticism I had made of foreign aid, but the committee did not give me the decision. It "passed the buck" to the executive branch of Government and said, "If you do not do something about it between now and fiscal year 1965, some dire consequences may result."

Members of Congress have the constitutional responsibility of checking the expenditures of taxpayers' money. So when editors of such newspapers as the Washington Post and the New York Times and other newspaper editors attack Congress on the basis of the false allegation that we are seeking to interfere with the administration of foreign policy by the Chief Executive, they do not

know the Constitution, for the Constitution makes it as clear as the English language can make it that no money can be spent by the executive branch of the Government except in accordance with an act of law passed by the Congress. When we come to cast the value judgment as to whether the money should be appropriated, we necessarily must cast a value judgment upon the purposes for which the money is to be used. That is the coordinate power of the Congress of the United States in the field of foreign policy, Mr. President, and we cannot pass the buck to the Chief Executive, as the Foreign Relations Committee of the Senate did this year in the report it filed.

I say to you, Mr. President (Mr. WALTERS in the chair), that no one is going to be able to understand the basic premise I have presented unless he understands my constitutional premise.

My charge is that the Congress has not been "watchdogging" the expenditure of the taxpayers' money, not only in the foreign aid program, but also in respect to many other activities.

We speak about foreign aid only today. We have voted, over the years, billions of dollars for foreign aid. Great portions of that money have been wasted. Much of it has led to corruption in various countries of the world, to the detriment of the prestige of the United States. Furthermore, inefficiency and waste characterize too much of the foreign aid program.

Since there no longer is any need for a Marshall plan in Europe, we have spent money in Europe in recent years that we cannot possibly justify. There is no excuse for sending millions of dollars more into the NATO countries. The NATO countries are self-sufficient. We have made them self-sufficient because of the largess of the U.S. Government.

I happened to be one of the leaders in this body at the time of NATO and the Marshall plan. Senators have heard me say this before, but I shall have to keep the record straight. I was one of the assistant floor leaders of the NATO Treaty, appointed by Arthur Vandenberg at the time, along with the Senator from Vermont [Mr. AIKEN] and the late Senator Tobey, of New Hampshire. I took article V—the one-for-all and all-for-one article—through the Senate at the time of the NATO Treaty ratification.

I would do it again.

But, Mr. President, 1963 is not 1949. The time has come for our European allies not only to pay their own way, but also to help the United States defend freedom elsewhere in the world, by making substantial contributions to the protection of freedom in South Vietnam, if we are to stay there at all. I happen to believe we never should have gone in unilaterally and should not stay there unilaterally.

That is a good example of how our allies have never assumed their full share of responsibility in the defense of freedom. They are perfectly willing to defend it in Europe, on their own soil, but they are not contributing their full share to the defense of freedom, and they are contributing only a pittance in connection with foreign aid to underdeveloped areas.

By and large what they contribute is not at the rate of three-quarters of 1 percent interest, with a 10-year grace period, and 40- to 50-year loans at an interest rate which does not even begin to pay for the cost of the use of the money.

Does anyone call that a loan program? The AID officials need to be made to understand that we do not like the kind of verbal subterfuge of which they are guilty. The AID propaganda across this country has given the American people the false impression that much of the economic aid program is now a loan program. I do not call a three-quarters of 1 percent interest rate, with a 10-year grace period, and a 40- to 50-year period to pay—if they decide to pay—a loan program, except in quotation marks.

The American taxpayers have reached the point where they are entitled to get back at least the cost of the use of their money, in the way of interest rates. Do not tell me that in some of the underdeveloped areas of the world they cannot afford to pay it. If there is a hydroelectric dam to be built in any underdeveloped area of the world, it should be built only if it is economically and engineeringly feasible. And if it is economically and engineeringly feasible, it will return, in the wealth that it produces, adequate economic income to pay the cost of the use of the money, or the interest charge on the money of the American taxpayers with which it was built.

The second major premise I want to lay down, because to understand my position on foreign aid it is necessary to understand this, is that we cannot buy friends. And we have not bought friends. If Senators think we have, let them take a look at Cambodia today. Cambodia is raising havoc with U.S. foreign policy in Asia. Cambodia has brought to an end a policy based on a theory which has always been fallacious and against which I have spoken many times in the past—the so-called domino theory. Cambodia certainly has crashed the dominoes, if there still linger those who accept that theory. It has been demonstrated that it was never sound. Cambodia illustrates that we cannot buy friends.

No; what we must do to protect the American taxpayers is to make sure the money is spent on sound economic projects in the underdeveloped areas of the world that will help create the wealth which brings about economic benefits that will help those people become economically free. What American policy ought to be, in the main, in connection with our foreign aid, is the exportation of economic freedom; for until people are first, economically free, they cannot be politically free.

I have been heard to say before, and I say it again, that we have been trying to export a political ideology we call democracy. It cannot be done, because people in the underdeveloped areas of the world could not care less about political ideologies. But even though millions of them are illiterate and ignorant, they understand economic freedom, and they understand that they are being deprived of economic freedom.

I urge that American policy in the field of economic aid be reoriented, projected by project, to economic projects that will bring, or help bring, economic freedom to these millions of people. It is a concept, I am sorry to say as a member of the Foreign Relations Committee, about which the AID people downtown and the military people downtown never have had any understanding or comprehension.

The elements to which I have referred involve the question whether the money spent by the American people on foreign aid is producing a foreign policy return commensurate with the expenditure. This can only be determined country by country, as the Senator from Kentucky proposes. It can only be determined by examining the entire history of U.S. aid in each country. And it can only be determined by examining the entire history of all U.S. aid in each country.

MILITARY AND ECONOMIC AID CANNOT BE SEPARATED

The statement issued a few days ago by the Senator from Arizona [Mr. GOLDWATER], which embodied his attack upon the President, reveals that our colleague suffers from a gross ignorance of these basic issues involved in foreign aid. Had we enjoyed the pleasure of the Senator's company during the debate of late October and early November, and throughout the voting on the many amendments to the authorization bill, it would have become evident to him as it has to so many of us that economic aid cannot be separated from military aid. Yet the Senator from Arizona sought to do that by protesting economic aid as being too high, while ignoring military aid altogether.

One of the key points which I sought to bring out in my daily speeches here in the Senate last summer was that our heavy consignment of military aid to certain countries requires us to furnish disproportionate amounts of economic aid to the same countries. This point was also repeated by the Senator from Louisiana [Mr. ELLENDER] and by the Senator from Missouri [Mr. SYMINGTON] during the debate on the appropriation bill. In many ways this is the key problem of the foreign aid program; it most certainly is one of the problems which the committees called for in the Cooper amendment would have gone into, and it is a problem which no true review of foreign aid can ignore.

The recipients of our military aid cannot maintain large military establishments out of their own economic resources. If they could, they would not need the military aid from us. In that sense, we are leaning on weak reeds wherever we send military aid, because a country that is militarily dependent upon others in time of peace is hopelessly dependent upon others in time of war.

Take Iran. There is a country on the border of the Soviet Union to which we have sent \$633 million in military aid between 1946 and 1963. We sent Iran \$789 million in economic aid in the same period. In fiscal year 1963 alone, the military and economic aid was just about equal—military aid slightly over \$58 million and economic aid slightly under \$58 million. But suppose some Soviet aggression occurred against Iran, or

against some neighbor that would involve a treaty commitment of Iran's. Ignoring for the moment the purely military value—if any—of the Iranian forces, the United States would have to provide their complete support, and we would have to pour still more American wealth into Iran itself to keep it going under war conditions.

Exactly the same is true of Turkey, Taiwan, Pakistan, Greece, Korea, the Philippines, Thailand, and South Vietnam, all of which account for the great bulk of foreign aid outside the Alliance for Progress.

The aid figures show absolutely and beyond question that even in time of peace, we send most of our economic aid to the same nations that receive the bulk of our military aid. There are a handful of exceptions. Israel and the United Arab Republic have received economic aid, but not military aid; India has received a huge amount of economic aid, and only now are we beginning a large-scale military aid program to India. There are, in other words, a few nations receiving considerable economic aid and no military aid. But there are no countries receiving substantial military aid that do not also receive substantial economic aid.

It is a concept that romanticists like our friend from Arizona do not like to face, but military aid generates a need for economic aid. The entire \$380 million for supporting assistance—a category of economic aid—goes to nations that need direct financing from outside to support their armed forces, in addition to the military equipment itself.

Beyond that, the bulk of development grants and loans also goes to countries that would have less need of outside aid for development were they not channeling so much of their scarce resources into military purposes.

The great tragedy in this is that the real protection for all these nations is in the overwhelming power of the American military forces, which we maintain in all the places in the world where we believe U.S. interests are at stake. These forces will have to protect each and every one of the nations around the Communist bloc if they are to be protected at all from Communist attack.

We have heard repeated over and over again in this debate the assertion that it is cheaper to maintain in uniform a South Korean, a Formosan, a Pakistani, a Turk, or some other soldier of another foreign country, when the fact is that we maintain them and our own forces as well; and it is our own forces, and not their military defenses, that give them the security. It is the 7th Fleet in the Pacific, not Chiang Kai-shek's army, not South Korea's Army; it is the U.S. air armada, and it is the thousands of American boys stationed in the Pacific, who give protection to American interests in the Pacific.

We need to take a long, hard look at the waste of money, by the billions; to take a long hard look at the wasteful billions of dollars that we have been pouring into military aid around the world so far as the protection of either the United States or the government involved is concerned.

There is the ugly fact, which the world needs to face, that if war were to break out with Russia, it would not be a conventional war. All the billions of dollars of military aid that we have poured into these countries would be recognized as having been wasted. It would be a nuclear war of short duration, and the probabilities are that both of the major combatants would destroy themselves.

The time has come for a hard, long look at military aid.

I warn the American people on what the next move will be. The next move will be a move of partial concealment, by taking military aid out of the general aid bill, taking it away from the Foreign Relations Committee of the Senate, and having it considered in connection with the U.S. defense budget. It does not belong there. This is a foreign policy issue.

I am at a loss to understand why the Secretary of State has not already risen in righteous indignation against the move that is on foot to separate military aid from economic aid and to place it under the jurisdiction of an entirely different committee in the Senate and under an entirely different department of the U.S. Government.

"Watch out," I say to the American people on this move, because it is a further attempt to weaken the State Department.

AID REVIEW OF ADMINISTRATION MAY MAKE SAME MISTAKE

It would appear from press reports that the administration committee set up to examine itself is about to fall into the same pit with the Senator from Arizona.

Plans to separate economic aid from military aid will, if carried out, lead to increases in both. I do not doubt that this is exactly what is in the minds of some of the advocates of the separation. It has been commonly said for many years that Congress would approve just about any amount of military aid if it were hidden away in the budget of the Defense Department. There is a wide body of opinion within the administration that economic aid should be sacrificed, if need be, to the objections made to foreign aid in general, but that military aid should be put in the Defense Department budget where it will be rubber-stamped by Congress.

But even if it is carried out, its proponents will find out eventually that the nations favored for even more military aid cannot make use of it without large sums of economic aid. This interrelation of economic and military aid, and the basic military protection afforded by our American Defense Establishment which makes so much of that aid unnecessary, is at the heart of our foreign aid problem. Perhaps it can be disguised and concealed for a while by separation of the two programs, and by a razzle-dazzle reorganization and dismemberment of existing aid structures. But it cannot be disguised or concealed for long, no matter what organizational changes are made in the presentation and administration of aid.

I am opposed to such a separation for another reason: It would make the State Department and the Senate Foreign Relations Committee nothing but append-

ages to the Pentagon in the formulation of American foreign policy. The commitments and obligations entered into with other countries by the United States must never be entered into on the sole word of the American military. We already have too many obligations and commitments that were entered into because purely military considerations prevailed. Putting military aid into the Defense Department budget in an effort to remove it from true congressional scrutiny and congressional guidelines would be a final step in the direction of military diplomacy.

Military aid is in fact one of the most important of all foreign policy considerations. It must, therefore, remain under the jurisdiction of the administrators and the congressional committees that have the responsibility over foreign policy itself.

MISTAKE CAME IN APPLYING EUROPEAN FORMULA TO LESS DEVELOPED COUNTRIES

The point is, however, that no amount of procedural juggling can separate military from economic aid because the first invariably produced the second. No administrative review, and no congressional review that ignore this problem can really be considered a basic review of foreign aid.

It is one of the problems that I shall take up myself for each country next year, as the Senate Foreign Relations Committee examines the foreign aid program.

The problem itself has developed because of the very success of earlier aid programs in building bulwarks against communism, both internal and external. Massive aid to western Europe and Japan restored their economies; in western Europe it also enabled them to build their own military forces, though the continued presence of U.S. forces in Europe relieves our allies of doing what they can and should be doing in their own defense. Similarly, Japan could produce an independent military force, if she chose to do so.

But as so often happens, a bureaucracy that carried out a successful program in one area thought only of extending the same program to other areas. Congress, in its excessive zeal to give the executive branch a free hand refrained from exercising the control and direction over foreign aid that it should have exercised between 1950 and 1960. Because Congress failed to exercise control and jurisdiction over the foreign aid program in that decade, we find ourselves in 1963 with a program that seems endless and bottomless and in which the American people have lost confidence.

Where we went wrong was in trying to do in nonindustrial parts of the world what we did in the industrial areas of Europe and Japan. We have made—and are making—an infinitely costly mistake in applying the same combination of massive economic and military aid to nations that are entirely lacking in the components of industrialism that existed in Europe and Japan.

Take the countries on the Communist periphery where we concentrate our aid, both military and economic. Greece, Turkey, Iran, Pakistan, India, South

Vietnam, Taiwan, and South Korea. There is not one among them that will, in our lifetime and probably not ever, have the internal capacity to support a military establishment that will be meaningful in terms of the military power of China, Russia, and the United States.

So long as we maintain large aid programs in those countries with the objective of building their indigenous military forces, we will never see the day when they will be self-supporting. They will be "on our backs" forever. And if the time comes when Red China or Russia launches an attack against one of them, it will have to be defended by U.S. forces if it is to be defended at all.

How many Korean wars, and South Vietnam wars, do we have to fight in to learn that? Only Americans can and will protect American interests.

Our massive aid programs to them, far from enabling them to defend themselves, has two bad consequences. The first is that it discourages real and needed growth of all kinds. Many of these countries are run by factions that live off the American aid program. Korea, Taiwan, South Vietnam, and probably Pakistan are such countries. Their economic and political growth has been stunted by the military orientation of U.S. aid, including economic aid.

Secondly, our aid to many of them has the bad effect of setting the recipients against each other. Congress tried to come to grips this year with this effect of much of our aid by adopting the Gruening amendment. I am not at all certain that the Gruening amendment will produce the desired effect. But at least it was an honest attempt by Congress to deal with a problem of foreign aid that its administrators have refused to deal with. The operation of this new policy guideline will be closely watched by those of us who are attempting to produce a meaningful and effective foreign aid program.

As I have said, the issue of the interrelation of military and economic aid is a key foreign aid problem. I have outlined it and detailed it with respect to country after country in my speeches on the Senate floor. But there are other problems of foreign aid, too.

PROBLEM OF SELF-HELP BY RECIPIENT NATIONS

One such problem is the issue of self-help on the part of recipients. It is closely related to the question of aid for military purposes. From a great many of the countries I have been talking about, we do not ask or expect much self-help, because we expect them to concentrate their own resources on supporting military establishments. Or we do not ask them to make needed reforms because to do so might cause a particular ruling clique to tumble from power. So Uncle Sam picks up the bill for their failure or unwillingness to use their own resources most effectively.

But the issue of self-help also has great application in Latin America. The military urgency is not so pronounced there; yet we still hear it said both in Latin America and in the United States that if we expect these countries to move too fast and do very much to help themselves, they will become unsettled

politically, and that might lead to unsettled military consequences. This is why the apologies are made for the juntas in Latin America. The apology makes the case that reform upsets the ruling classes and causes them to seize the government. But if the same old system is to remain entrenched in Latin America, then I see no reason at all for the Alliance for Progress. If the juntas take over to prevent reform, and if the juntas are desirable because they keep the Communists down, then there is really no reason for any further American investment in the nations to the south.

If time permits later, I shall apply this principle to the Dominican Republic, for I warned, when this administration a short time ago recognized the junta government of the Dominican Republic, that it was not helping the cause of stability either in the Dominican Republic or throughout Latin America. The material I shall later place in the RECORD bears out my warning given on the day I issued my press release in opposition to the recognition of the military junta of the Dominican Republic.

So long as we continue the expenditure of large sums under the Alliance in the name of raising their living standards, then we must demand that the recipients do the things that must be done by them to make our aid effective.

I believe the same is essentially true for every country that receives American aid.

MANAGEMENT OF AID MUST BE IMPROVED

Still another area to which I devoted much time during this year and will devote more time next year is that of the specific wastes and delays that turn up everywhere in foreign aid.

The reports of the Comptroller General, as I have said, are a complete rebuttal to anyone who parrots the argument that there is bound to be waste in a program so large as this one. If that is true, then someone had better get busy and start correcting them, because the reports of the Comptroller General do not relate to pennies and nickels of waste, but to hundreds of millions of dollars of waste.

Not long ago, there was brought to my attention just one small example of what I mean. It seems that 2 years ago, the United States entered into an agreement with the Government of the Cameroons that AID would sponsor an English language institute in that country to train teachers of English. I am further advised that for 2 years AID maintained in the Cameroons one man under contract at around \$12,000 a year, a second man at around \$10,000 a year, and a third man at around \$8,000, not one of whom ever did one thing under the program.

It is my understanding that there was no building provided, and there were no students provided for this English language institute. Yet these Americans were paid their salaries, their families were sent to the Cameroons with them, an estimated \$200,000 worth of teaching equipment, including television and acoustical tile, was purchased, sent and piled on the docks, where I understand

it still sits, waiting for the Cameroons Government to designate some building where the program can be carried out.

That is the money of the American taxpayers. It is an example of why there is the fight for reform. It is not a singular instance. It exists with a resulting loss of hundreds of millions of dollars of the taxpayers' money.

From what I have heard about this ill-fated English-language venture by AID, it was largely the idea of the United States that we should seek to create an English-speaking facility among the people of a formerly French colony. Yet the Government of the Cameroons was not sufficiently interested in the program to do more than acquiesce in it. A suggestion was made to me that the Cameroons Government wanted help from AID for a railroad it had planned, and that it was unwilling to go along with the English language program until AID agreed to help finance the railroad.

The information I have related about this particular project was given to me by responsible persons. I have not investigated it personally. But I would appreciate a report from the Agency as to the status of this particular project, including the sums spent on it and its progress to date.

CONFERENCE REPORT FAILS TO DEAL WITH FOREIGN AID PROBLEMS

There is nothing in this conference report that gives any hope that the problems I have outlined will be corrected. The sum made available is much more than the \$3 billion generally reported in the press.

In addition to the \$3 billion in new money there is also a reappropriation of funds that brings the total up to \$3.26 billion.

But that is not all. There is in the law itself a section which permits the expenditure of up to \$300 million in military aid out of Defense Department stocks, to be reimbursed out of the regular Defense Department budget. This means that instead of only \$1 billion available for military aid, there is really \$1.3 billion available. That is one reason why I said during the debate on the appropriation bill itself that new money for military aid should more appropriately be reduced to half a billion.

The \$380 million figure for supporting assistance is also too high. It will permit a continuation of many of the worst foreign aid practices and failures. This item should be eliminated entirely from the foreign aid program.

One of my basic objections to this conference report is the flimsy and inadequate language relating to the Export-Import Bank guarantees for commercial transactions with Communist countries.

I was strong in my support of the Russian wheat deal when it was announced by President Kennedy as being an exclusively private deal between the Soviet Union and American businessmen. But the Export-Import Bank guarantee removed all the risk for American businessmen. Their risk is now guaranteed by an institution of the U.S. Government. I do not believe we should begin commercial transactions with the Soviet Union on that basis. Let us gain some ex-

perience and let the Soviet Union establish some kind of record with American businessmen before the Federal Government involves itself.

I am also strongly opposed to the principle of giving the discretion in this matter to the President. That is what the conference report in effect does. If anything, that is worse than saying nothing about it at all, or endorsing the plan outright.

Giving to the President the discretion to decide a matter that the Constitution places in the hands of Congress is exactly what is wrong with Congress. All the complaints about the inadequacies of Congress fail to recognize our real failure: It is our failure to decide the things the Constitution meant us to decide.

Article I of the Constitution places in Congress the authority to regulate commerce among the States and with foreign nations. Each time Congress abandons its authority because it fears to take the consequences of its actions and decisions, it weakens itself. It is such delegations of congressional authority to the executive branch as this one that have reduced Congress to wrangling over issues instead of deciding issues.

This language in the conference report alone is enough to justify my vote against it.

CONGRESSIONAL REVIEW OF AID MUST CONTINUE

On February 14 of this year, nearly 1 year ago, I told the Senate:

But there has to be an end to the pouring out of the largess of this Republic for the assistance of allies which are now as capable as we are of bearing their share of the burden, for there is not a NATO country which is not in a better economic condition now than it was at any time in modern history. Yet so long as Uncle Sam is willing to pay it out, apparently the European nations are willing to take it.

That is why I indicate today that at this session of Congress, both within the Committee on Foreign Relations, of which I am a member, and on the floor of the Senate, there will be a historic debate on the question of foreign policy, reviewing our foreign aid program and our alliances, including our south Asian alliances.

On June 13, when it became apparent that the Senate Foreign Relations Committee was holding "quickie" hearings on foreign aid, I told the Senate:

So I notified the Foreign Relations Committee yesterday that I reserved the right to speak each day, starting next week, on foreign aid issues, from the floor of the Senate, supplementing the hearings before the Foreign Relations Committee. I did so because the procedure being followed in Senate committees makes it almost certain that Senators will not be able to use the time in committee to call the attention of the American people to what I consider to be some of the very unsound parts of the testimony already heard before the committee. . . .

I do not know how the American people can be made to understand the foreign aid bill unless Senators discuss it, as I propose to discuss it, and answer here on the floor of the Senate, as the administration's case for foreign aid is developed in committee, the positions taken by the administration in respect to certain parts of the bill which I think are completely unsound.

On June 17, when the Senator from Idaho [Mr. CHURCH] and the Senator

from Utah [Mr. Moss] expressed some dissatisfaction with certain aspects of foreign aid, I told the Senate:

I hope the administration is taking note of the increase in the number of voices speaking out against its foreign aid bill this year. I speak as a Democrat in opposition to the foreign aid bill.

If the administration took a nosecount in this country it would find that a substantial majority of the taxpayers want a drastic reduction in the foreign aid bill and some major changes in the policy inherent in the foreign aid bill.

On July 2, I told the Senate:

The time has come when the administration had better take another look at this foreign aid bill and stop talking of ramming it through Congress by whipping politicians into line. It should start talking to Congress on the basis of the merits we can agree are involved in the bill, even if the administration finds it necessary to modify its position.

Reluctantly or not, it ought to modify its position, because the administration is not going to end the criticisms of this giveaway to nations which no longer deserve the giveaway, while we have the rising threat to the soundness of our own economy and enlarging pockets of economic underdevelopment in our own Nation.

I think it is fair to say that this year there was a historic debate and review of foreign policy and foreign aid. It is also fair to say that not only the House but also the Senate reflected, in their debates and in their votes on the bill, the general dissatisfaction of the American people with foreign aid. I think it is also fair to say that the administration was unable to ram its foreign aid bill down the throats of Congress. How much better it would have been if a modification had been made in foreign aid by the administration itself, instead of leaving it to Congress to do the job.

Now we are hearing that a high-level administration review of the program is underway. But I am disappointed that it seems to be concerned primarily with the procedures of foreign aid, rather than with its substance. I share entirely the opinion of the Senator from Kentucky [Mr. COOPER] that Congress and the American people are demanding more than mere procedural changes.

When the AID authorization bill comes to Congress next year, I am going to undertake my own review of how AID has operated, and to what purpose, in each country. I do not expect to do anything like the job the Cooper amendment sought to have done; but the questions are going to be asked, even if the answers cannot always be ascertained independently from AID sources themselves.

OBJECTIONS TO HAVING CONGRESS DO ITS DUTY

Of course those of us who seek this kind of review, to find out what, if anything, U.S. aid is accomplishing, must expect to hear more of the constant attack upon Congress for doing its duty.

The press not only is attuned primarily to the executive branch; it is also largely ignorant of the American system of government and the role of Congress in that system, as its writings proved day by day. These days, most of the editorial attacks upon Congress come from writers who do not care what Congress does, so long as it does just what

the administration tells it to do, and nothing more.

The editorial article in yesterday's Washington Post, describing a "Sick, Sick Congress" was such an attack. It is nothing more than a diatribe against Members who dare to fulfill their responsibilities under the Constitution.

It saddens me to read such editorials, and to find that journalists today who are parrots of the "line" from the executive branch, whatever it may be at a given time, care nothing of the merits of the case made in Congress. Ridicule and misrepresentation—not truth—are their only weapons. Many of these newspapers, and especially the Washington Post—have not dared to print in their pages the specific charges, facts, criticisms, and proposed reforms that have been made from this floor. They do not dare do so, because then they would embarrass the administrators in their own hometowns.

Fortunately, the American people understand our form of government better than do the journalists who cover the news from Washington. The voters know that it is up to Congress to decide, not only how much money is to be spent for any program, foreign or domestic, but also how it shall be spent, and for what purposes. We in Congress know we cannot evade our responsibility for the foreign aid program, even if we wanted to, because the American people hold us to the accounting.

The average voter is not interested in the parliamentary form of government which so enamours many editorial writers, and even some politicians. The average voter knows instinctively that the American form of government does not contemplate rule by executive decree, nor does it even contemplate a Congress that either supports the President or goes back to the people for a new election.

I know that many semisophisticates in American journalism do favor the British system of parliamentary government over our own. They try to superimpose the parliamentary system upon our own, by insisting that it is the President's program that is voted on every 4 years, and that it is voted up or down along with the man who is elected, and that every Member of Congress of the President's party is elected only to rubberstamp the President's program and vote it into law.

Unfortunately, not many of them realize that ours is not a parliamentary system. Ours is a system of checks and balances and a system of prescribed and delegated powers. Under our system the power to spend money lies with the Congress, not with the President or with the State Department or with the Defense Department, or even with the aid Agency.

The emotional attraction of the executive branch as the action branch is so overpowering to these journalists that, for them, Congress exists only insofar as it carries out the will of the Executive.

I do not expect that any of them will give so much as a flashing thought to the possibility that Congress might be right, or that the American people as reflected by Congress might be right in its opposition to the current aid program. As I have already pointed out, there have

been 5 Presidents, 6 Secretaries of State, and upward of 12 administrators of foreign aid since the beginning of my service in the Senate. Many of us in Congress have been considering foreign aid legislation ever since foreign aid began after World War II. The duty of giving our foreign aid purpose and direction lies with us, not with the executive branch. The tradition and the tendency of the executive branch is to perpetuate, and, if possible, to enlarge upon, any program, not to guide it in any direction that might lead to its curtailment or termination.

If there is alarm in the executive branch and among the press that Congress has finally taken a hand in the foreign aid program, it is only because we have neglected to do so for so long. In 1963 Congress only began a task that it should have done every year since 1947. We still have a very long way to go. We must not be deterred by the vitriol of the ignorant press. If Congress does not continue in 1964 the review and revision of foreign aid which it began in 1963, it will be brought to account by a far more terrifying and final judge than an editorial writer; it will be brought to account by the American voters.

Mr. President, I believe that the Senator from Rhode Island [Mr. PASTORE]—with whom I disagree in regard to the desirability of adoption of the conference report—deserves the sincere thanks of those of us who are in opposition to the report for his objectivity, his hard work, and his devotion to duty as the chairman of the Senate conferees.

I wish the record to show that he has my sincere thanks for the performance of his trust. I hope that next year he and I will find ourselves in closer agreement than we found ourselves this year in regard to the basic policy questions involved in foreign aid.

Mr. PASTORE. I thank the Senator from Oregon. I understand that the Senator from Iowa desires some time.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. WALTERS in the chair). The Senator will state it.

Mr. PASTORE. How much time remains?

The PRESIDING OFFICER. The Senator from Rhode Island has 1 hour remaining; the Senator from Oregon has 5 minutes remaining.

Mr. PASTORE. Does the Senator from Oregon desire to reserve the 5 minutes still available to him?

Mr. MORSE. I reserve the time. I sought to find whether any other Senator wished to speak, but no Senator has asked me for time.

Mr. PASTORE. I am prepared to give the Senator from Iowa some of the time available to me. How much time does the Senator desire?

Mr. MILLER. I should like 10 or 15 minutes. The Senator from Iowa does not see that it is necessary for the Senator from Rhode Island to take away from his time. I appreciate his deference, unless it is necessary—

Mr. PASTORE. It is not necessary at all. The Senator from Rhode Island will

not take more than 2 minutes to submit some charts, and then he will be ready to vote. The Senator from Iowa may have 15 minutes of the time available to me—not that I intend to be generous, but the Senator is welcome to it.

Mr. MILLER. The Senator from Rhode Island is always generous, whether he intends to be that way or not, and I thank him.

Mr. President, I am now finishing my first 3 years in the Senate. Since I came to the Senate six major votes have been taken on questions related to foreign aid—three on authorization bills and three on appropriation bills. I have voted for five of them. I voted for both the authorization and the appropriation bills in 1961 and in 1962, and I voted for the authorization bill this year. I like to think that the RECORD makes it quite clear that I am reflecting the attitude of the people of the State of Iowa, which has been favorable toward foreign aid programs.

But there comes a time when one feels that he must vote in protest against certain things that are taking place. I believe that the action of the House and the Senate this year in substantially cutting back on the authorization, and particularly on the appropriation amount, is responsive to the attitude of the people back home.

Almost a year ago the President of the United States asked the Congress for \$4.9 billion for foreign aid. The request was contained in the President's budget message of last January. I find it a little difficult to understand why some authors and columnists talk about a \$3.5 billion request. The original request was \$4.9 billion, and it was contained in the budget message of the President of the United States last January.

Following that request, the Clay Committee report was issued. The Clay Committee was appointed by the President a year ago last November or possibly a year ago this month. On the basis of the Clay Committee's report, the President then revised his request downward from \$4.9 billion to \$4.5 billion. Since that time there have been further cutbacks. We are now dealing with a foreign aid appropriations bill of \$3 billion, plus an authorization to continue \$250 million of unspent funds previously appropriated. So if the bill passes, the foreign aid program will be \$3,250 million, which is a very substantial difference from the \$4.9 billion contained in the original budget request of the President of the United States.

Those figures must be considered in connection with the fact that approximately \$7 billion of previously appropriated and obligated money is in the pipeline, so that if the Congress did not pass any foreign aid bill this year, there would still be a very large amount of the taxpayers' money going into the various foreign aid programs.

The action of Congress this year is responsive to a stepped-up feeling of unrest on the part of the people who are paying for the programs. I do not believe that it reflects in my State any more than in any other State the desire of the people to take a meat ax and cut off all foreign aid. But it does reflect growing

impatience with reports that we see from the Comptroller General and elsewhere indicating that there have been inexcusable abuses of discretion on the part of some foreign aid administrators.

The only issue that I can see that is now before the Senate relates to the failure of the conference report to include a prohibition against the taxpayers of the United States having to underwrite the credit of the Soviet Union in connection with sales by our private exporters of wheat and other agricultural commodities, and other commodities, to Communist bloc nations. Most of us are in agreement as to the amount of money. Some think that the amount is low; some think it is high; but we are pretty well together on that question.

I recognize that the President of the United States, by and large, should have control over our foreign policy. That is his constitutional prerogative. But at the same time, it is not a blank check, because the people through their elected representatives in the legislative branch of the Government are putting up the money, and if they do not think that discretion is being used properly, they have no place to go except to the Congress to ask that safeguards and restrictions be written into the appropriation bill.

I have just returned from my State after spending a few days talking with my people. I have not found a one with whom I have talked—and I have talked with Democrats, Republicans, and independents alike—who thinks that the President of the United States ought to be given discretion to commit the taxpayers of my State to underwriting the credit of the Soviet Union. Some have very violent objections, but most are in favor of a wheat sale for gold or for hard currency. I was in favor of that method of handling the transaction from the very beginning. I am not impressed by suggestions being made that if the Export-Import Bank of the United States, which is supported by the American taxpayers, does not underwrite Soviet credit, the wheat deal is off.

I have already put into the RECORD on two previous occasions an article published in the Washington Evening Star following the defeat of the Mundt bill, which quoted Soviet spokesmen as saying that the defeat of the Mundt bill did not make any particular difference to them, because when and if they decide to buy our surplus wheat, they would probably buy for gold or hard dollars anyway. They probably will. Generally speaking, their attitude is that they are not interested in fattening the purses of our bankers—capitalists—by paying interest.

Then the answer comes back, "Perhaps that is the way they feel about it, and perhaps that is the way they will actually operate." But someone in the State Department has the idea that if the Congress writes in a prohibition singling out Communist-bloc nations for special treatment and saying, "You will not have our taxpayers underwriting your credit," this might cause some tensions between the United States and the Communist-bloc nations, and that the Soviet Union wants to be treated like

other nations. Therefore, they would resent the writing in of a prohibition by the Congress of the United States such as the Mundt amendment and the Mundt bill sought to do, and such as the House itself wrote into the foreign aid appropriation bill originally.

I shall be the first to treat the Soviet Union like any other nation, when and if it deserves it, but I do not believe the people of the State of Iowa or the majority of the people of the United States have a feeling that the biggest deadbeat in the world ought to be treated like all the other nations of the world. I say "the biggest deadbeat in the world" because the record shows that. With more than \$104 million of delinquencies in the accounts of the United Nations listed in the last report by the Comptroller General of the United Nations, over half of that amount comes under the Soviet Union.

For the American taxpayer to underwrite the credit and the good faith of the Soviet Union to pay up bills in connection with our export business, in the face of this, is unthinkable.

I regret very much that the President of the United States, whom I will support to the maximum permitted by my conscience, sent to the majority leader of the Senate a letter in which he indicated that he thought it would be in the national interest for the American taxpayers to do this. I believe it would be in the national interest for us not to do it.

Do we not have a little backbone? What will some of the other nations of the world, who pay their obligations to the United Nations, think if they see that we treat the Soviet Union's credit as being as good as theirs?

In connection with the idea of easing tensions, a revealing article entitled "Blank Check for Secretary Rusk," written by the distinguished columnists Robert S. Allen and Paul Scott, appeared in the Sioux City, Iowa, Journal for December 24, 1963. It sets forth informally some of the thinking going on with respect to the future course of our policy in dealing with Communist nations. I ask unanimous consent that the article may be printed in the RECORD at this point.

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

BLANK CHECK FOR SECRETARY RUSK

(By Robert S. Allen and Paul Scott)

That blank check President Johnson gave Secretary Rusk to determine the course of foreign policy is going to be used to the hilt.

The State Department high command, making the most of this opportunity, is busily preparing a series of speeches and pronouncements designed, in effect, to commit the new President to far-reaching policies in virtually every key trouble spot in the world.

These policies include explosive portions of the late President Kennedy's "grand design" in foreign policy—which have never been spelled out in public. There have been guarded references to them, but that's all.

Last week's significant address by Roger Hilsman, Jr., Assistant Secretary for Far Eastern Affairs, enunciating a so-called open door attitude toward Red China if it discards venomous hatreds against the United States was the first move in this State Department plan.

Along the same line as Hillsman's revealing declaration, other top State Department officials will proclaim equally important standards regarding Russia, its eastern European satellites, Asia, the Middle East, Africa and France.

The next of these tentatively slated momentous speeches will be made by Under Secretary Averill Harriman on a crucial shift in policy toward the Soviet bloc.

The new course Harriman will launch will be summed up as follows: "The ultimate U.S. aim is to see that these nations of Eastern Europe eventually become members of the free community of nations by a process of peaceful evolution."

Harriman has become Rusk's closest adviser on European affairs. The principal progenitor of the above concept, in which Harriman heartily concurs, is Dr. Walt Rostow, head of the State Department policy planning council and author of a series of "position papers" approved by the National Security Council in the Kennedy administration.

These closely guarded foreign policy blueprints continue unchanged and in full force in the new Johnson administration.

Like Assistant Secretary Hillsman's open door statement regarding Red China, Under Secretary Harriman's address next month on policy toward the Iron Curtain satellites will vigorously advocate a realistic view.

Presumably such a view will include East Germany which the United States does not recognize.

The key highlights of this realistic view are:

"The United States will refrain from encouraging or supporting uprisings or strikes that exert pressure against Communist regimes."

"Widening of diplomatic, cultural and trade relations and contacts with Eastern European countries."

The controlling position paper, on which the forthcoming speech will be based, lays down a cautious policy for coping with the sensitive problem of possible eruptions behind the Iron Curtain. The proposed course is similar to that followed by the Eisenhower administration during the Hungarian revolt.

"If revolt breaks out in East Germany or any other satellite," states the position paper, "we should bear in mind that our grand design is to build a community of free nations which will expand by their inner strength and attractive power when combined with the assertion of increasingly nationalistic trends within the Communist bloc. We do not wish to jeopardize this design by allowing Eastern Europe to become a battleground between ourselves and the U.S.S.R., unless we are attacked."

"Accordingly: If turbulence erupts in the area, we should maintain this posture, and urge our allies to do the same, meanwhile exerting all the influence we can muster during such crisis to yield less repressive and more nationalistic regimes as the outcome."

"We should refrain from encouraging or supporting armed uprisings, or strikes that exert pressure against Communist regimes. Should a national Communist regime be established in any of these countries, we should make a maximum effort short of military activity to permit its survival."

Concerning widening ties and contacts of every kind with the Soviet bloc, the "position paper" declares:

"Such contacts will bring home in some way, however muted, the message that history does not inevitably decree that Moscow will forever dominate their lives. That message may encourage these people to press their governments, insofar as they safely can, for gradual internal liberation and for steps toward greater national independence."

"While we cannot be expected to publicly endorse or applaud these Communist governments, there may be occasions when it will

be in our longrun interest to mute our criticism and to refrain from official attacks. This balance of interest is a delicate one, but it must be made."

"We should encourage and assist Western European nations to exploit tendencies toward closer relations with the West as they appear among the Eastern Europeans, and should, so far as practicable, endeavor or develop mutually supporting programs of increasing diplomatic, cultural and trade relations with these Communist regimes."

The position paper not only flatly advises expanded trade and other relations between West and East Germany, but also between the United States and East Germany.

Mr. MILLER. Mr. President, the sum and substance of the views presented by Mr. Allen and Mr. Scott is that some of the thinking about our future operations and policy with respect to the Soviet Union and other Communist nations is that we are to continue an accommodation policy of dealing with them; that we are not going to act, but react; that we are going to probe for peace; that we are not going to do anything, such as to stand up for our rights or evidence our firmness, which might cause any tensions with the Soviet Union.

I do not deny the good faith and conscientiousness of those who favor this policy, but I believe it is shortsighted. I believe it is wrong. I believe it will not be effective. The experts with whom I have consulted, whose views I have read about Communist philosophy and Communist tactics and strategy, cause me to be convinced that Communist reaction to this type of policy will not be to welcome the warm clasp of friendship. They will look upon it as an indication of weakness and decay on the part of the United States and its people.

While Mr. Khrushchev may smile today, instead of thumping the table at the United Nations with his shoe, let us be sure that we remember what happened a little more than a year ago in Cuba, when stealthily and secretly—accompanied by a lie by Mr. Gromyko to the face of the President of the United States—intermediate range ballistic missiles with nuclear warheads were moved into Cuba. They were not moved there for any purpose other than to get at the United States.

The leopard does not change his spots in a year. It may be that his spots will change some day. I hope and pray that this will happen. But I do not believe that our attitude of easing tensions to the extent of treating the Soviet Union the same as other nations, which are peace loving and freedom loving, which pay their debts before the United Nations, is the way to achieve this result.

For this reason, with reluctance I shall cast a protest vote against the foreign aid appropriation bill conference report today.

I recognize that the Senate has been pretty much of a rubber stamp for the executive branch of the Government. I have had much to say on that subject on previous occasions. It is all well to assert, "We are an independent branch of Government," but I do not judge by words. I judge by action; and the actions and the record show that the Senate has been a rubber stamp for the executive branch of the Government.

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

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

Mr. PASTORE. I yield 2 additional minutes to the Senator from Iowa.

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

Mr. MILLER. Since President Johnson has indicated he does not want this prohibition in the bill, and since he believes it will be in the national interest for the Export-Import Bank to treat the Soviet Union like all other countries, that is exactly what the Senate is going to deliver to him. I hope the President will not use this discretion, although he has indicated he will.

I hope that I am mistaken. I hope that the policy will work, but I do not believe it will. The only policy which has worked so far has been a policy of firmness.

When President Kennedy used a firm policy for a short time in respect to Cuba, and put a blockade on Cuba, it worked. When President Kennedy sent troops into Berlin, it worked.

Every other time, when we have failed to use a policy of firmness, it has not worked.

I believe this will be a significant action on the part of the Congress—failing to write in a prohibition to prevent the American taxpayers from having to underwrite the credit of the Soviet Union.

Furthermore, I suggest that refusing to write in such prohibition will be a gesture in futility in any event, because I believe when the record is written the Soviet Union probably will pay hard dollars or gold for surplus commodities, and so the credit of the Export-Import Bank will not be used anyhow.

I hope that there will not be a repetition of this situation. It is too bad that the executive branch of the Government has seen fit to put pressure on the legislative branch to grant this discretionary authority, because I believe the majority of the people of the United States do not want to treat the Soviet Union the same as other countries.

I thank the Senator from Rhode Island for his gracious yielding to me of his time.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, an article from the New York Times of December 19 entitled "United States To Challenge Soviet Over Dues."

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

UNITED STATES TO CHALLENGE SOVIET OVER DUES—WILL INSIST U.N. SUSPEND RIGHT TO VOTE UNLESS THEY ARE PAID, STEVENSON SAYS

(By Thomas J. Hamilton)

UNITED NATIONS, N.Y., December 18.—Adlai E. Stevenson indicated today that the United States would insist upon suspending the Soviet Union's right to vote in the General Assembly if Moscow did not pay its overdue assessments to the United Nations.

The U.S. representative said he hoped the Soviet Union, which has refused to pay its assessments for the United Nations Congo and Middle Eastern forces, would pay.

Mr. Stevenson declared that the future of the United Nations as an action agency was threatened by the refusal of the Soviet Union and other members to pay their assessments for the two forces.

The Soviet Union now owes \$36,984,971 on the Congo force and \$15,638,166 on the Middle Eastern force. It confirmed yesterday its refusal to pay its share of certain other United Nations activities, which it terms illegal.

LIABILITY TO ARISE SOON

On January 1, therefore, the Soviet Union will become liable to action under article 19 of the Charter, which provides that a member owing the equivalent of 2 years' contributions "shall have no vote in the General Assembly."

"Rigid adherence to the law, to the Charter, is essential to the Charter's preservation," Mr. Stevenson said. "Once you begin to contaminate or erode or interpret the Charter too flexibly, you very soon will have no sustaining body of legal structure to support the United Nations."

A British source commented today that enforcement of article 19 should be automatic, but said "We hope it will never have to be used."

France, Nationalist China, and a number of other members are in arrears on assessments for either the Congo or the Middle Eastern force or both. Most of them, including France, will not become liable to the 2-year rule before 1965.

Dr. Carlos Sosa Rodriguez, President of the 18th General Assembly, declared at a news conference that the decision whether to enforce the delinquency provision involved political as well as legal issues.

Unless a special session is held, the Soviet Union's liability to the 2-year rule cannot become a practical issue until the 1964 session of the Assembly begins next September. Dr. Sosa declined to say how he would rule if he were elected President of a special session.

RULING AVOIDED EARLIER

Dr. Sosa added that there were no precedents in the matter, since Muhammad Zafrulla Khan, President of the special session held last spring, did not make a ruling on the right to vote of Haiti, which had come under the 2-year rule.

Mr. Zafrulla Khan announced that he would enforce the rule under certain circumstances, but Haiti paid up before he did so.

Both Dr. Sosa and Mr. Stevenson expressed satisfaction with the reduction of tension that became evident during the 1963 session of the Assembly, which ended last night.

The Assembly President said the session had retained the "spirit of understanding and compromise" produced by the treaty prohibiting all except underground nuclear tests.

In this connection, he called attention to the unanimous votes on resolutions regarding disarmament and outer space.

SMALL POWERS IN REVOLT

Dr. Sosa said the small powers had revolted against the great powers by adopting resolutions calling for the expansion of the Security Council and the Economic and Social Council.

The great powers either voted against or abstained on the resolutions, which will result in amendments to the charter if the great powers give their consent.

Mr. MAGNUSON. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield to the Senator from Washington.

Mr. MAGNUSON. The senior Senator from Massachusetts [Mr. SALTONSTALL] has been a hard worker, in his usual way, in this field. I know there are some things he would like to have cleared up for the sake of the legislative history.

I wish to join the Senator in asking this question: I note that the conference committee has made available to the Agency for International Development a total of \$177 million in the contingency fund, \$50 million in new authority and \$127 million in carryover.

Mr. PASTORE. That is correct. This is actually \$17 million more than the \$160 million contained in the authorization bill.

Mr. MAGNUSON. So the additional amount is actually only \$17 million?

Mr. PASTORE. That is correct; over and above the original amount.

Mr. MAGNUSON. Is it the intention of the conferees that this contingency fund shall be available to meet unforeseen or unascertained needs and other deficiencies in the present fiscal year?

Mr. PASTORE. The answer is in the affirmative. We felt that the President and the Administrator of AID should have this needed flexibility.

Mr. MAGNUSON. Because, of course, we have gone for several months.

Also, to make legislative history, is it the intention of the conferees that this fund shall be available to meet vital U.S. commitments and requirements, should this be necessary in connection with the program?

Mr. PASTORE. Certainly. Under the authority of the Foreign Assistance Act,

the contingency fund may be used to meet the needs of the program—through any of the categories—such as supporting assistance, development grants, and development loans—whenever necessary and important to the national interest.

Mr. President, I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I shall vote in favor of the conference report. I came here for this purpose. I shall vote to accept the agreement which has been made as a substitute for amendment No. 20, the so-called Export-Import Bank guarantee. The fundamental reason for bipartisanship in foreign policy is that when we make a national or international agreement, after full and fair debate, the dignity of the United States is at stake. I think it is shortchanging our country and derogating our own dignity, importance, and strength in the world to cut off a little piece of the authority to negotiate, especially when it is an established commercial type of guaranteed loan, 18 months in this case, such as that proposed by the amendment which the Senator from South Dakota [Mr. MUNDT] sponsored.

I think this is a fair settlement. We all understand that the national interest of the United States is at stake. It is for that very reason, in my judgment, that the settlement should be approved and we should support what the conference committee has done.

To my mind, it is essential that we close our ranks after full debate, reserving every right to criticize, initiate new ideas, and fight for what one thinks should be done; but when we finally close ranks, we should stop niggling about details and vote for the conference report.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative statement of appropriations for 1963, estimates and amounts recommended in the bill for 1964, and the conference amounts agreed to on the foreign aid and related agencies appropriation bill for fiscal year 1964.

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

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964

TITLE I—FOREIGN AID (MUTUAL SECURITY)

Item	Appropriations, 1963	Budget estimates, 1964	House allowance	Senate allowance	Conference allowance
FUNDS APPROPRIATED TO THE PRESIDENT					
ECONOMIC ASSISTANCE					
Development grants	\$225,000,000	¹ \$257,000,000	\$150,000,000	\$175,000,000	\$155,000,000
American schools and hospitals abroad		² 20,000,000	14,300,000	14,300,000	14,300,000
American hospitals abroad (special foreign currency program)	2,800,000	² 2,000,000	4,700,000	4,700,000	4,700,000
Investment guarantees	30,000,000				
International organizations and programs	148,900,000	³ 136,050,000	100,000,000	130,903,000	116,000,000
Supporting assistance	395,000,000	⁴ 435,000,000	300,000,000	380,000,000	330,000,000
Contingency fund	250,000,000	⁵ 300,000,000	50,000,000	32,900,000	50,000,000
Inter-American social and economic cooperation program		⁶ 200,000,000	100,000,000	180,000,000	135,000,000
Alliance for Progress, development loans	425,000,000		350,000,000	425,000,000	375,000,000
Alliance for Progress, development grants	100,000,000		80,000,000	100,000,000	80,000,000
Alliance for Progress		⁷ 650,000,000			
Development loans	975,000,000	¹ 1,050,000,000	600,000,000	800,000,000	687,300,000
Administrative expenses, AID	⁸ 49,500,000	57,250,000	50,000,000	50,000,000	50,000,000
Administrative expenses, State	⁹ 2,700,000	3,025,000	2,700,000	2,700,000	2,700,000
Subtotal, economic assistance	2,603,900,000	3,120,325,000	1,801,700,000	2,295,503,000	2,000,000,000
MILITARY ASSISTANCE					
Military assistance	1,325,000,000	¹ 1,405,000,000	1,000,000,000	977,700,000	1,000,000,000
Limitation on administrative expenses	¹⁰ (24,600,000)	(25,000,000)	(24,000,000)	(24,000,000)	(24,000,000)
Total, title I, foreign aid (mutual security)	3,928,900,000	¹⁰ 4,525,325,000	¹⁰ 2,801,700,000	¹⁰ 3,299,503,000	¹¹ 3,000,000,000

See footnotes at end of table.

Comparative statement of appropriations for 1963, and estimates and amounts recommended in bill for 1964—Continued

TITLE II—FOREIGN AID (OTHER)

Item	Appropriations, 1963	Budget esti- mates, 1964	House allowance	Senate allowance	Conference allowance
FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps.....	\$50,000,000	\$108,000,000	\$89,000,000	\$88,100,000	\$92,100,000
Reappropriation.....		(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Limitation on administrative expense.....	¹² (16,000,000)	(20,000,000)	(19,500,000)	(20,000,000)	(19,900,000)
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
Ryukyu Islands, Army, administration.....	8,954,150	14,366,000	10,000,000	10,000,000	10,000,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States.....	70,110,000	70,000,000	56,000,000	39,717,137	39,717,137
Reappropriation.....			(14,082,863)	(14,082,863)	(14,082,863)
DEPARTMENT OF STATE					
Contributions to International Organizations.....		¹³ 18,374,000	18,374,000	18,374,000	18,374,000
Migration and refuge assistance.....	14,947,000	¹⁴ 10,683,000	10,550,000	10,550,000	10,550,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Investment in Inter-American Development Bank.....	60,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Subscription to the International Development Association.....	61,656,000	61,656,000	61,656,000	61,656,000	61,656,000
Loans to the International Monetary Fund.....	2,000,000,000				
Total, title II, foreign aid (other).....	2,274,667,150	333,079,000	295,580,000	288,397,137	282,397,137

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses.....	(\$1,295,000,000)	¹⁵ (\$1,314,366,000)	(\$1,314,366,000)	(\$1,314,366,000)	(\$1,314,366,000)
Limitation on administrative expenses.....	(\$3,122,550)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Total, title III, Export-Import Bank.....	(1,298,122,550)	(1,317,866,000)	(1,317,866,000)	(1,317,866,000)	(1,317,866,000)

TITLE IV—LEGISLATIVE BRANCH

LEGISLATIVE BRANCH					
Senate:					
Payment to widow of deceased Senator.....				\$22,500	\$22,500
Contingent expenses of the Senate:					
Miscellaneous items, 1963.....				190,000	190,000
Miscellaneous items, 1964.....				215,000	215,000
Stationery (revolving fund).....				60,600	60,600
Total, Senate.....				468,100	468,100
House of Representatives:					
Payments to widows of deceased Members.....			\$67,500	67,500	67,500
Contingent expenses of the House:					
Miscellaneous items.....		¹⁶ \$925,000	925,000	925,000	925,000
Reporting hearings.....		¹⁷ 48,000	48,000	48,000	48,000
Special and select committees.....		¹⁸ 768,500	665,500	665,500	665,500
Telegraph and telephone.....		¹⁹ 515,000	515,000	515,000	515,000
Stationery (revolving fund).....		²⁰ 523,200	523,200	523,200	523,200
Postage stamps.....		²¹ 91,420	91,420	91,420	91,420
JOINT ITEMS					
Joint Committee on Immigration and Nationality Policy.....		²² 140,460			
Education of pages.....		²³ 2,655	2,655	2,655	2,655
Total, House of Representatives.....		3,014,235	2,838,275	2,838,275	2,838,275
Total, title IV, legislative branch.....		3,014,235	2,838,275	3,326,375	3,326,375

TITLE V—INDEPENDENT OFFICES

HISTORICAL AND MEMORIAL COMMISSIONS					
New Jersey Tercentenary Celebration Commission.....		\$150,000		\$150,000	

TITLE VI—CLAIMS AND JUDGMENTS

CLAIMS AND JUDGMENTS					
Federal.....		²⁴ \$12,982,095	\$12,982,095	\$12,982,095	\$12,982,095
District of Columbia.....		²⁵ (\$2,258)	(\$2,258)	(\$2,258)	(\$2,258)
Grand total, all titles of the bill.....	\$6,208,567,150	4,874,550,330	3,113,100,370	3,578,058,007	3,298,705,607

¹ Reflects reduction of \$18,000,000 contained in H. Doc. 101.
² Contained in H. Doc. 101.
³ Reflects reduction of \$45,200,000 contained in H. Doc. 101.
⁴ Contains increase of \$38,000,000 contained in H. Doc. 101.
⁵ Reflects reduction of \$100,000,000 contained in H. Doc. 101.
⁶ Reflects reduction of \$50,000,000 contained in H. Doc. 101.
⁷ Reflects reduction of \$188,000,000 contained in H. Doc. 101.
⁸ Excludes Pay Act costs, derived by transfer from "Economic assistance" and "Military assistance" appropriations.

⁹ Reflects reduction of \$75,000,000 contained in H. Doc. 101.
¹⁰ In addition, \$209,000,000 in unobligated balances.
¹¹ In addition, unobligated balances now estimated at \$250,000,000.
¹² Excludes Pay Act costs derived by transfer from "Peace Corps" appropriation.
¹³ Contained in H. Doc. 174.
¹⁴ Reflects reduction of \$1,117,000 contained in H. Doc. 83.
¹⁵ No specific limitation proposed, amount shown is proposed program.
¹⁶ Contained in H. Doc. 182.

Mr. MAGNUSON. Mr. President, will the Senator yield for half a minute?

Mr. PASTORE. I yield 1 minute to the Senator from Washington.

Mr. MAGNUSON. I understand that there is being put in the RECORD action not only on this bill, but action of the Congress on other appropriation bills, in relation to the amounts recommended by the budget.

Mr. PASTORE. Yes; we intend to do so at the conclusion of action on the foreign aid bill.

Mr. MAGNUSON. How much did this Congress, which has been so criticized about spending, appropriate under the budget recommended by the President of the United States?

Mr. PASTORE. More than \$6 billion.

Mr. MAGNUSON. More than \$6 billion under the budget recommendation?

Mr. PASTORE. That is correct.

Mr. MAGNUSON. I know that all members of the various subcommittees of the Appropriations Committee feel that, even though we were pressed for time because the House did not act as quickly as we thought it should have acted on appropriation bills, we probably have ended up with as good a fiscal year as any.

Mr. PASTORE. That is a significant observation by the Senator from Washington. The Senator from Washington is chairman of the Subcommittee on Independent Offices Appropriations, which had before it a budget estimate of over \$14 billion. His committee ended with a cut of \$1,434,069,950. That was a Herculean task.

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

Mr. PASTORE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. From this side of the aisle, I support the conference report. It was arrived at with a great deal of thought and care. The compromise, while not as good as we would like to see from the Senate side, on the whole is as satisfactory as we can get. I congratulate the Senator from Rhode Island, who conducted the negotiations on the part of the Senate. I hope that we on this side helped to arrive at a bill that was satisfactory.

Mr. PASTORE. I thank my neighbor from the great State of Massachusetts. It is always a pleasure and privilege to work with him. While we did not attain all of our goals, I think the result is reasonably satisfactory.

Mr. SALTONSTALL. I understand the problem with respect to the contingency fund has been satisfactorily worked out in the conference report.

Mr. PASTORE. That is correct.

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

Mr. PASTORE. I yield to the Senator from California.

Mr. KUCHEL. Mr. President, as long as encomiums are being uttered in the Chamber, I want to add my own. I want to congratulate the Senator from Rhode Island. It is true that he had bipartisan support in the exertions which have occupied most of the past several weeks on the floor and in the

long series of conferences. The Senator from Rhode Island rendered a great service. He acted not as a partisan, but as an American. I was with him on a number of occasions. I say, to him, "Well done."

SPEECH BY SENATOR JAVITS BEFORE SENATE OF THE REPUBLIC OF MEXICO

Mr. KUCHEL. On another subject, a few days ago, one of our colleagues, the distinguished senior Senator from New York [Mr. JAVITS], had the unique privilege of speaking to the Members of the Senate of the Republic of Mexico. The Senator from New York spoke to that Senate, in the public service, both in Spanish and in English.

Senators know that over the years, as a member of the North Atlantic Treaty Organization Conference of Parliamentarians, our able colleague has been most assiduous in endeavoring to develop a new base by which countries in the Western Hemisphere might be given assistance from the private sector of the Nation's economies as well as from the Alliance for Progress. Our colleague discussed some of the thoughts that have been developing from labors in the NATO Conference.

I ask unanimous consent that portions of the speech which he delivered be inserted in the RECORD at this point.

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

EXCERPTS FROM REMARKS OF U.S. SENATOR JACOB K. JAVITS, REPUBLICAN, NEW YORK, BEFORE THE SENATE OF THE REPUBLIC OF MEXICO, DECEMBER 26, 1963

Me da mucho gusto el hacer uso de la palabra ante este honorable Senado de una Republica hermana. [It gives me much pleasure to address this Honorable Senate of a sister Republic.]

Traigo para todos ustedes los mas cordiales saludos de mis colegas del Senado de los Estados Unidos. [I bring to all of you the most cordial salutations of my colleagues of the U.S. Senate.]

Puesto que es necesario que mis palabras sean muy exactas, les pido permiso de hablarles en mi propia lengua. [Since it is necessary that my words be very exact, I ask your permission to speak in my native tongue.]

Two points stand out as the scene of Mexican-United States relations is surveyed. Both are based on an unparalleled era of good feeling and mutual confidence in the stability and good will of each country to the other. I feel it just to say that the good neighbor policy between the United States and Latin America is now to be succeeded by the good partner policy.

First, that Mexico is among the first of the Latin American Republics to look outward to the other American Republics and to be ready to help them with technical assistance, financial investment and similar leadership joining with the United States in association to give greater assurance of success to the Alliance for Progress.

Second, that Mexico has discovered the secret of stable democratic government to be in the economic enfranchisement of the people which through the freedom of choice of training, occupation, and location made possible by private enterprise system can realize all the practical advantages which socialism has promised while retaining free institutions for the people.

There are sharp challenges ahead and coming days may be darker than those we have

already seen in the threats to the freedom of the individual republics of the Americas from the extreme left and extreme right, but we can also discern the mountaintop in the sun of peace, stability, and well-being in freedom and the road which leads to it—that road is the enhanced spirit of self-help and mutual cooperation outside the North American Continent which, under the leadership of Mexico and other similarly minded American States, will give a new meaning to the Pan American and Inter-American systems and much more auspicious hope for the success of the Americas. An extraordinary beginning is being made in the North American Free Trade Association and in the Central American common market. In company with Senator HUBERT HUMPHREY of the United States and with associates of the leaders of private enterprise in the United States and Europe, and under the auspices of the NATO Parliamentary Conference, I am preparing a new private enterprise investment company initiative known as ADELA (Atlantic Community Development Group for Latin America) to work in selected Latin American countries in association with its private enterprises, and in association with the Inter-American Development Bank to finance and render technical assistance to middle level manufacturing, distributing and service enterprises both industrial and agricultural but not in the extractive industries. This investment company is to be established in Paris on January 10 and 11 next, with the interested consultations of high officials of the OECD and the OAS. I expect Mexican private enterprise to be an important investor in this project.

It is these initiatives which will enable the Latin American Republics to recognize the mutual economic and social interdependence of each other and mark a new high point in the expectations for success of the Americas.

As we hail this auspicious outlook for Mexican-United States relations, we are deeply gratified by the conclusion of the Chamizal Treaty—for the ratification of which I had the honor to vote in the U.S. Senate only last week—an outstanding tribute to the high ideals and diplomatic achievements of President Lopez Mateos and his Ministers and the Congress of the Republic, as it is to our beloved and tragically deceased President Kennedy, to President Johnson, and to our gifted Ambassador Thomas Mann, who has just been called home for such important duties in Latin American affairs.

Mr. PASTORE. I thank the Senator from California for his complimentary remarks. It is always a pleasure and a privilege to work with him.

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

Mr. PASTORE. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the senior Senator from South Dakota [Mr. MUNDT] is in his State and could not be present for today's session. He had prepared a statement on the conference report, as a member of the House-Senate conference committee on the foreign aid appropriations bill.

I ask unanimous consent that it be inserted in the RECORD at this point.

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

STATEMENT BY SENATOR MUNDT

As the author of the original proposal (S. 2310) to forbid the extension of credit guarantees to Russia and the Communist bloc countries and as one of the members of

the Senate conferees, I want to commend the entire conference committee on the effective compromise provisions which we were able to develop to discourage the granting of public American credit to the Communist dictators.

Special credit is, of course, due the House Members of the conference committee and the House itself in stubbornly refusing for a long time to yield from the position taken by the House in voting to attach the original language of S. 2310, which was known in the other proposal as the Mundt-Findley amendment to the foreign aid appropriation bill.

On a series of separate rollcalls the Members of the House voted to insist upon the straight-out prohibition carried in the language of S. 2310 and the tenacity of the House conferees, supported by the House membership, finally made it clear to the White House and the Democratic leadership of both Houses that if the foreign aid appropriations bill were to be enacted at all it would have to contain some form of prohibition disapproving the proposal to grant "credit card privileges" to the Communists under arrangements whereby our American taxpayers have to make good the bad debts and pay the bad bills of the Communists after they have received the products purchased with dollars made available to them through the American Export-Import Bank.

While I, of course, continue to prefer the original language of S. 2310 which constituted an outright congressional prohibition against the use of American public credit to initiate a new program of economic assistance for Communist countries I must say I am pleased with the final outcome of the congressional proposal to discourage—if we could not entirely deny—the proposed policy of extending American economic assistance to both sides of the cold war at the same time. Such a self-defeating American foreign aid program, in my opinion, can benefit nobody but the Communists and can ultimately destroy whatever benefits the free side of the cold war has derived from the more than \$100 billion which our American taxpayers have already expended to support our friends, our allies, and the neutral nations overseas. The compromise language which we finally developed in the conference report and which has been adopted by the House is a significant and important policy recommendation by Congress and a firm expression of congressional intent. It contains the same specific prohibition against extension and guarantees of credit to the Communist nations contained in S. 2310 but it provides an escape clause to be used by the President of the United States only—and I repeat only—when he himself finds in the case of each proposed credit transaction that he believes it to be in the national interest of the United States to guarantee the good credit, the good faith, and the good intentions of the Communist dictators whose menace to peace and threats to freedom are considered by the President and the Congress so great that in this session half of the money we have appropriated is for the purpose of protecting the free world against further Communist encroachments and the expansion and development of Communist military and economic imperialism. In view of the determined opposition of the White House to have this heavy and direct responsibility fastened upon the President under the report terms written by the conference committee I think it has vast significance that the opposition to extending public credit to Communist dictators was so strong that in the House during its long series of votes on the subject the Democratic leadership did not even dare make an attempt to delete entirely this significant prohibition which is now included in the conference report presently before the Senate.

In view of the foregoing factors and facts I dare to hope that President Johnson will seldom if ever find it in our national interest to jeopardize the money of the American taxpayers for the purpose of strengthening the muscle and increasing and expanding the capacity of our Communist offensive adversaries and so certify such findings from both Houses of Congress as provided by the compromise version of the so-called Mundt-Findley amendment in the legislation now before us.

I am confident there are many in Congress and throughout the country—and I include myself among them—who will want to scrutinize each such transaction most intently and carefully if it should actually eventuate and be authorized. I am also confident that if this administration ventures very far or very often into the self-defeating policy of using American credit to support and sustain global communism it will find it will be increasingly difficult if not impossible to induce the Congress ever again to appropriate large scale funds for foreign aid and assistance to countries whose very need for such assistance will have been created and increased by our short-sighted policy of strengthening the power of Communists to imperil and undermine our friends in foreign lands who live outside the Communist complex.

Thus, I am well satisfied with the policy declaration and the specific prohibition in this matter contained in the conference report and by the work accomplished by the House-Senate conference committee in writing into this foreign aid appropriations bill a clear-cut statement of public policy and a prohibition which can be voided only by specific Presidential action to be publicly reported in each case within 30 days to both Houses of Congress.

While it has taken nearly 30 days and a total of seven separate rollcalls—three in the Senate and four in the House—to accomplish the result, I feel that Congress has now established a policy which I believe the administration will find much more productive and constructive to follow as compared with the results of utilizing its hard won and closely confined escape clause to flaunt and violate the intent and purpose of Congress. In fact, I very much hope that in view of the expressed opposition of Congress as clearly recorded in the compromise version of the original language of S. 310, that this ill-fated "Operation Communist Credit Card" will seldom if ever take place.

Thus, as a member of the conference committee which developed this so-called compromise amendment, I wish to be recorded as favoring the approval of this conference report. Since this prohibition was lacking in the foreign aid appropriations bill at the time it passed the Senate I then voted against the foreign aid appropriations bill. Since we have now added this important protection, I would vote "yes" on the final rollcall if I were able to be present for that vote and I am hopeful that a pair can be arranged showing my position as voting in favor of final passage of the foreign aid appropriations bill of 1963 as now amended by the language of the conference committee report.

Mr. PASTORE. Mr. President, I understand the distinguished Senator from Oregon has 5 minutes remaining. I am ready to yield back my time, if he is ready to do so.

Mr. MORSE. Mr. President, I shall yield back my time, except for the time required to place various items in the RECORD.

Mr. President, I ask unanimous consent that the following items be inserted in the RECORD immediately following my

speech earlier today. It has been necessary, because of the danger under which the correspondents who wrote these letters live in the areas involved, that the letters be placed in the RECORD without their names being printed.

First is a letter from an American in the Dominican Republic calling attention to the shocking conditions that exist under the regime of the Dominican Republic that the United States so unfortunately recognized.

Mr. President, one need only read letters such as these, which I ask to have printed in the RECORD, to realize how important it is that there be a thorough review of the American military and economic aid so far as the Dominican Republic is concerned. So long as the conditions portrayed in these letters prevail in the Dominican Republic under the dictatorship now controlling that unfortunate land, which the U.S. Government has recognized, no military or economic aid from the United States to the Dominican Republic can possibly be justified on moral grounds, or in keeping with our professions about our desire to establish freedom in Latin America, rather than dictatorships.

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

DECEMBER 12, 1963.

Senator WAYNE MORSE,
Washington.

DEAR SENATOR MORSE: I had the pleasure to write you about 2 months ago from the Dominican Republic, where I lived 2 years. You may remember I routed the letter to you inside another letter, so that the envelope wouldn't be seen. This is because you are very unpopular with the new dictatorship there, but let me assure you, with the people, because of your strong stand, you are a savior, the representation of an America at long last decided against dictatorship for the "lesser breeds"—your constituents, so far off, have in their wisdom, also given a great hope to a most unfortunate nation of three and a half million: as an American citizen who also loves the Dominican Republic, I can only ask, that you will continue in your good work.

If you are going through with your plan to visit the Inter-American University in San German, Puerto Rico, I urge you Senator, to set aside a little time to speak privately to some of the Dominican students there. Should that great Abraham Lincoln of the Caribbean, Juan Bosch, be present, I don't think the boys will be inhibited. Bosch is an old shoe, his majesty being a purely natural thing with him.

Senator MORSE, in the almost 2 months I spent in the Dominican Republic after the new dictatorship took over from Juan Bosch, I have seen with my own eyes thousands of people, on many occasions, tear- and nausea-gassed by the police. Students kicked and beaten, for trying to march or demonstrate, and in one case I watched a night high school student die, with a bullet hole through his abdomen. The police let him bleed for an hour and three-quarters before taking him to a hospital. A girl of 22 with three children, with her arms both broken and teeth knocked out by police. Among my own personal circle, I can count beatings, many jailings, exiles, two broken arms, an official stabbing, and so on. The "civilian junta" or triumvirate, as it is called in the now controlled news, is a military dictatorship, trying to impose control through terror.

Enclosed please find a copy of a letter I have written to President Johnson.

If my 2 years of study of the Dominican Republic can be of any service to you, Senator, then I would like the opportunity to speak to you, whether for a year or 5 minutes. Please let me know any time, any place—long or short duration.

With all best wishes,

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter which the writer of the previous letter sent to the President of the United States.

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

DECEMBER 12, 1963.

DEAR MR. PRESIDENT: Last month I returned to the United States after 2 years in the Dominican Republic. In the course of beginning a business there, and teaching in my own school, I learned the Dominican Republic from one end to the other. I know well enough hundreds or perhaps thousands of people, from little workers and little farmers, to President Bosch, one of the members of the new triumvirate dictatorship (Manuel Enriquez Tavares Espallat) also students, great rich—all of them.

I should like to make to you, five points. Because I love the Dominican Republic, and of course our country: I don't want to see either of them go wrong.

1. Under the government of Juan Bosch, there was complete freedom of movement, opinion, publication, expression. Law was enforced, and there was no cause for, nor interest in, rebellion.

2. The leftover Trujillo military, in combination with the great hereditary rich, seized power on September 25, 1963, and have enforced a new dictatorship by expulsion, imprisonment, death, torture, terror.

3. Pacific resistance (petitions, demonstrations, etc.) by the people has failed. Approximately in the middle of November, violence began, and it appears that now on about 11 fronts in the country there is fighting in the mountains and countryside. The triumvirate claims this is a Communist movement. Naturally, they must, to excuse their suppression of it. One of the leaders on one of the fronts is "Manolo" Tavarez, leader of leftist "14th of June" party. It is to be noted that the new government did not outlaw "14th of June" until after the conflict began.

4. But the resistance is in truth universal, and is being joined by upper and middle class and urban youth of the lower class, none of whom are Communist, but, it is fairer to say, represent all shades of political opinion. The extremes of the fighters might be expressed as follows:

(a) Right: We want democracy. Since it has been taken away from us, and kept away from us by force and violence, we must fight to get it back.

(b) Left: We want social justice. Since the oligarchic and military classes have again prevented us from reaching social justice, as they have, ever since Columbus, we must, at long last, destroy these classes by violence, since they will not submit to legal reform.

5. What should the United States do? Reaffirm, strongly, present policy, but declare unequivocally, which it has not yet done, that we will not ever recognize or help the present dictatorial regime. Then hope that as it collapses, as it must, democracy will be reinstated by some formula, which, though weak, can be swiftly aided by us, if only by recognition.

We have, for the first time there, now, a great reservoir of good will, among the peo-

ple, for not recognizing the new dictatorship, and we should not lose it.

It should be noted that news from the Dominican Republic is at a virtual standstill. I know that when the new dictatorship began, I became correspondent there for UPI, and Rafael Herrera, director of the newspaper *Listin Diario* became correspondent of Associated Press. We both sent out the news in abundance, and both got into disgrace with both the triumvirate and also El Caribe the government newspaper now, which is AP's and UPI's biggest customer there. We were both silenced, and while I read little or nothing of the Republic in our papers here, I know that a great deal is going on in that unhappy country now.

I should like to express my extreme willingness to come to Washington and talk with anyone who feels that I might contribute some useful information, at any time.

And at this sad time * * * etc.

Mr. MORSE. I ask that the names of all the writers of the letters be deleted.

Mr. President, I ask unanimous consent that another letter, which I have received from a Peace Corps student from my State, who is spending some time in the Dominican Republic, be printed in the RECORD at this point, with the writer's name deleted.

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

Senator WAYNE MORSE,
Senate Subcommittee on Latin America,
Washington, D.C., United States of America.

DEAR SENATOR MORSE: Both as a Peace Corps volunteer in Latin America, and as an Oregonian (Portland), I have a personal stake in your actions and opinions. Although because of my present situation, it must be off the record, I want to tell you that I cheer your stand on nonrecognition of the de facto government here in the Dominican Republic.

This toboggan run of takeovers must cease sometime, and now is an opportune time to make our stand. The Alliance for Progress is a long way off from achieving its objectives in Latin America, and these objectives or any other significant improvement will never be realized as long as the masses do not have hope.

Last December hope had a beginning—for the first time in their lives, the campesinos' voice had some meaning, and their votes put a man in office. But the recent "golpe de estado" not only made a mockery of that democratic election, it also proved once again that the campesino does not count, that the wealth and power groups will run the country the way they want to.

We Peace Corps volunteers are sick at heart with this turn of events, and are solidly behind your stand. I sincerely hope that we never recognize this current regime or any stooge that they substitute. Representative and responsible government must succeed, or we must resign ourselves to hand-out aid programs and forget our democratic ideals.

Mr. MORSE. Mr. President, the next letter written to me comes from a young man from Oregon, who has spent 2 years with the Peace Corps stationed in Colombia, South America. The writer indicates some of the problems which confront us in the Alliance for Progress program, and shows the need for a thorough review of the foreign aid program.

I ask unanimous consent that the letter may be printed in the RECORD at this point.

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

NOVEMBER 16, 1963.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: As I near completion of my 2-year service in the Peace Corps I am taking the liberty of sharing with you a few of my experiences which, as chairman of the Senate Latin Affairs Committee I hope you will find to be of some interest.

For the past year and a half I have been involved in a job termed community development. This may best be defined as a process whereby unorganized communities recognize, examine, and resolve their problems through unified action. My job has been that of "promoter" or "community organizer" which has involved not only work with the people at the village level, but also as a mediator between the various government and private supporting agencies and the campesino. Community development as you know is a relatively new field, and of course there have been failures as well as successes. As in any learning process however, they have combined to restructure, animate, and enforce our approach. This program has come a long way in 2 short years, and I am proud to have been part of it. The experience I have gained is invaluable, not only in terms of learning a new language, but more important in the understanding of a people and the confidence which comes from such an understanding.

You are well aware of the immense problems which face Latin America and the various approaches our aid missions have used in trying to help. I have only been here for less than 2 years and could not possibly claim to be an expert on Latin American affairs. In these 2 years, however, I have gotten to know the people and their problems, and I have seen where the U.S. aid mission has helped—and where it has failed. You have undoubtedly heard the same old song of how our aid seems to always get tied up in government bureaucracy and fails to reach the common people, the very ones we are all sincere in trying to help. This is, Senator MORSE, tragically true. The fault does not just lie with our own people; many of the problems come from these countries' own bureaucratic systems. What is true is that it does exist and must be corrected. But how? In what ways can aid be made really helpful and meaningful?

Here in Colombia we see a few rays of light, a few changes are coming about. We have been in on the first steps of these changes and what we have seen and experienced has been encouraging. Where there have been Peace Corps volunteers working on a local level with the people, examining their problems together and working democratically to better their lot, there has been progress. Where communities are awakened and begin to work together the material improvements not only appear, but much more important, pride and community responsibility appear; this, Senator MORSE, is what our aid mission should try to seek and where our aid should be directed.

The basis of the problems stem from the lack of individual civic responsibility on the part of the citizen due to a parental social system which has been maintaining him at a subsistence level for over 40 generations. It is this individual civil responsibility which we are endeavoring to instill and it is only on this basis that a community, large or small, may progress. Our insistence on this approach to the aid problem has led to

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the development of a community development government agency (here called Accion Comunal) which in adopting our methods is emphasizing the "individual factor" in community development. Social workers are being trained not to encourage the "what can you do for me" idea that permeates all the social strata, but rather "what can I do for myself and my community."

In many areas this idea is taking hold, and where it has, the progress is encouraging. We have seen work teams formed to raise a school; communities unite to carve a road out of a mountain to get their crops to market; fiestas and bazaars presented to raise money to build an aqueduct where there had never been fresh water before. These were the material projects, but underneath all of this there has sprung from a previously apathetic people a revolutionary change, community pride and responsibility.

Of course these schools, roads, etc., are needed, but we are not able to supply them all, and even if we could it would not end the social problems that are their cause, and in my opinion much more serious. We cannot force governments to change their policies, even though we may be convinced these changes are basic; many are. If we are really sincere, and I am sure we are, we can direct our aid to programs such as the one I previously described, and from these the changes will come about. They will not come about because the United States said they had to or because we used our aid to pressure them, but rather because newly awakened communities will demand them. Through this system our aid can be meaningful, through this system an alliance can truly be an alliance, not just another gift.

I have written with the hope that my experiences and opinions from 2 years of service in the Peace Corps may be of some interest to you. I will be returning to the United States with my Colombian bride in early March and will be in Washington, D.C., for several days on my way to Oregon. I would feel it a great honor to meet you and if possible discuss these matters further.

Thank you for your kind attention.

Mr. MORSE. Mr. President, the next letter I have received comes from an American newspaperman. He includes a quotation which is explained in the letter.

I ask unanimous consent that the name of the writer of the letter be deleted. This letter bears out the criticisms I have been making of the Dominican regime since the overthrow of that country's constitutional government.

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

OCTOBER 21, 1963.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: This letter is written in the Dominican Republic although it will be mailed from the United States.

I am a correspondent here for UPI and want to assure you that your policy toward this unhappy country is completely correct.

The so-called triumvirate is a plain and simple rapacious dictatorship which is causing much suffering, not to mention economic desolation.

The United States must not recognize or aid this government. To do so would be inhuman to the Dominican people and will unleash a flood of hate, torture, suffering and blood. I refer to hate toward the United States. So far we (U.S.A.) are doing fine.

We are going to see ever increasing repression and resistance on the part of the Dominicans. It is hogwash to say, as two triumvirate-paid prominent reporters say, that the resistance to the triumvirate is leftist. The resistance is universal, from left to right.

Attached to this letter please find a quote which is typical which a student gave me last night while in a newspaper office seeking aid for his imprisoned friends.

It appears that the secret election of Dr. Juan Casanovas presents an acceptable and constitutional solution—the mayors and city councils of cities of Bani and San Pedro have recognized him as President officially, and majority of people unofficially.

"We, the young Dominicans, did not look with sympathy on the politics international of the Government of the United States because of its aid to the regimen of Trujillo in the past, but we see today with much hope the posture of President Kennedy and other statesmen of the United States, especially that of Senator Morse, in light of coup d'état and we have hope that this position will maintain itself always, not only for Dominicans but also for all Latin Americans."

Mr. MORSE. Mr. President, I ask unanimous consent that two letters, bearing upon the shocking situation which exists in Honduras, be printed in the RECORD at this point. The recognition of the military dictatorship in Honduras is as inexcusable and as unjustified as was the recognition of the military dictatorship in the Dominican Republic. I ask unanimous consent that these two letters may be printed in the RECORD at this point.

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

OCTOBER 26, 1963.

DEAR SENATOR MORSE: I received the enclosed letter with instructions to mail it to you immediately.

I do not think people outside of Honduras realize what is going on under cover in that country. My husband and I were operating a dental clinic of our own back in the jungle near the Guatemalan border and having been in the country 3 years have learned something of conditions there.

My husband flew out of the country last week after the coup took place and can give an on-the-spot account of conditions there. The true report is not being given the public. On the surface reports are that the army has taken over the country peaceably, but purging is going on with loss of life and suffering.

You may wish to answer Mr. ——— letter personally and we suggest you send your letter to us to mail to him because a letter officially from Washington may arouse suspicion and cause trouble to Mr. ———. Men are being seized in that country on little or no evidence and placed in jail. Graves are dug beforehand for the executions.

"DEAR SIR: In San Pedro Sula the army dug the holes to bury their victims the day before the takeover.

"This information came direct to me from the office of the American consulate's office.

"In Cortez the holes were dug 2 days before and there were at least 57 killed there.

"This information came to me direct from the main office of the Fruit Co.

"Respectfully yours,

—————."

Senator WAYNE MORSE,
Senate Building,
Washington, D.C.

DEAR SIR: We, the defrauded people of Honduras, have been greatly cheered by your bold stand for the cause of democracy in Latin America. I feel that you should have a better picture of the situation so as to be able to more effectively defend the democratic interests.

In regard to the bloody coup that overthrew our Government on the 3d of this month: It should be understood that that was merely the overthrow of the Liberal Party (that has at least 73 percent of the population) by the National Party that controls the arms. A little bit of history to explain this condition: In 1932 Nationalist Tiburelio Carlas Andino became President of Honduras. Instead of giving elections at the end of 4 years, as was then the term of office, he stayed on by force of arms for the 16 years referred to bitterly as the years of the "blessed peace." During this time the Liberal Party was almost annihilated by murder, prison, torture, and exile for those who were so fortunate as to escape. The press was censored. There was no chance of the outside getting a picture of the atrocities that were going on within. During this period the army was built up of the sons of his trusty National Party until today there is just a sprinkling of Liberals in the army. In 1948 Carlas, to impress the outside world announced elections. We had a mockery of an election with only one candidate, his handpicked Minister of War, Juan Manuel Galvez. Galvez tried to give elections in 1954 but his Vice President, erratic old Julio Lozano Diaz, grabbed power and set up a reign of terror. He was overthrown in 1956 by a truly bloodless revolution and elections free and ample were given in 1957.

As we neared another election the National Party read the handwriting on the wall and saw that 25 years of slaughter and mismanagement had eradicated their right to rule.

They chose the only road to power, their men that comprised the army. We are again driven before a gun. The first sweep took many of the leaders, and daily their arrests are justified by their righteous announcements that the "Democratic" army has captured a few more Communists. They know from 25 years of experience that if they can destroy the leaders the masses can be led by the nose.

Now, Senator Morse, here is the danger: During the 25 years the local press impressed on the minds of the people that the United States was keeping them in power. Every favor from the United States was used as proof. One could often hear the statement, "We will stay in power as long as the United States says so." Now when this bloody slaughter started they said that a military government best serves the purposes of the United States and that the United States had engineered the coup. Then when we hear otherwise from the United States they smile knowingly and say that the U.S. politics are that way but that within a short time she will find a way of both saving face and recognizing the Government. Already the perplexed masses are casting about for a solution. You know better than I do that the Communists are expert on riding this kind of a swell. We anti-Communists argue that they are not the answer to our problem. But the masses driven by the desire for freedom and the exercise of their rights will listen to anything that sounds like a chance. And communism sounds good to an illiterate, defrauded people.

I want to express my gratefulness to the United States for her attitude in this crisis,

but if we are going to save Honduras from communism I fear that you have not done enough.

Honduras is cursed with this white elephant, the army, that only serves to stab the Government in the back when we are making some progress. A police force would be all that we need to keep order.

Why spend 10 percent of our budget to maintain an army we do not need? If there is an international problem the American nations step in and order solution by arbitration instead of by force of arms. This renders the army obsolete except to the purpose of the power thirsty national party.

If the United States, as the older sister, would come in and dissolve the army we would be over the hump. I know that you will say that there is no policy for this. But we are going to have to build some bold, new policies or risk being swallowed by the Communist threat. The danger, as I see it, is that we will build them when it is already too late. Cuba is a fair example of this.

Again I thank you for what you have done, but there is more to be done. This little Republic can easily go over the brink unless something is done, and that right early. "So much to do, so little done, so little time."

I feel that the United States has not done all that she could in our situation. A nation that is strong enough to make Russia "mind" surely could have influenced this little "bush army," especially when they were using arms provided by the United States.

Very respectfully yours for a freer and safer world to live in.

(NOTE.—If this is intercepted I will cease to exist.)

Mr. MORSE. Mr. President, lastly, I ask unanimous consent that there be printed in the RECORD a letter sent to me by an American in Chile. In my judgment this letter is further evidence of the need of a thoroughgoing review by Congress—not by the President and not by any independent body, but by Congress—of our whole foreign aid program.

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

SANTIAGO, October 28, 1963.

HON. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: It will probably surprise but encourage you to learn that one of the most influential newspapers in Santiago, Chile—El Mercurio—recently published excerpts of your timely recommendations to the U.S. Senate. It referred to your proposal to withhold foreign aid to Chile until they correct the abuses and discriminatory taxation imposed upon U.S. investments in this country.

Kindly allow me to compliment and commend you for putting some commonsense into our foreign policy for Latin America. May I also suggest that you diligently pursue your knowledgeable and forthright proposals by translating them into an effective course of action.

Having lived in South America since 1951 I have observed the futility of the United States assuming the role of a philanthropist to buy friendship. We are neither admired nor respected in this regard. Until we insist on fair play and honest dealings the Alliance for Progress is doomed to failure; and, furthermore, our national integrity could be seriously questioned.

The very fact that your views were published here implies an acknowledgment of Chile's unfair tax legislation which singles

out and takes advantage of U.S. private investments.

Ironically, Chile, during this past fiscal year has been the recipient of some of the largest Government grants to South America. To allow these grants-in-aid from U.S. taxpayers to continue unabated will not only destroy the incentive of private enterprise to invest abroad but encourage eventual confiscation of American investments in Chile and elsewhere.

I understand that no new legislation is required, merely the enforcement of existing legislation to carry out your plans. Such enforcement through normal diplomatic channels would quietly but effectively bring about corrective measures that would doubtless eliminate the unfair tax differential now imposed. In the process we will also regain our own self-respect as American citizens knowing that we have the wholehearted support and backing of the U.S. Government.

Respectfully yours,

Mr. PASTORE. I yield 3 minutes to the Senator from Connecticut [Mr. DODD].

Mr. DODD. Mr. President, this session of Congress has gone on far too long and in many ways it has been a very frustrating year for us. And I do not intend to prolong needlessly this final debate for the year 1963 on the foreign aid program.

But I do want to take just a few minutes to discuss my reasons for voting in support of this foreign aid appropriations bill.

I will vote for this expenditure of slightly over \$3 billion because I think foreign aid is an essential, indeed an indispensable, part of our foreign policy.

President Lyndon B. Johnson is absolutely right, in my view, when he says that to make too deep a cut in the foreign aid program is to undermine our basic foreign policy and to make the achievement of our worldwide objectives even more difficult than they already are.

Without military and supporting assistance, some of our staunchest cold war allies would be unable to maintain sufficient military and economic strength to help us contain further Communist encroachments into the free world.

Without economic assistance, many of the newly developing nations would be unable to sustain their efforts to provide a better life for their people.

Should these development loans and grants and American technical assistance be cut off, the Communists would be in a good position to take advantage of the resulting despair and lack of hope among the underprivileged throughout the world.

It is to a great extent American capital and technical know-how, coupled with a generous and a practical foreign aid program, which gives hope to these developing countries and their people that economic and social progress will come soon.

To cut off or even greatly diminish American foreign aid would be to strike a cruel blow to them, and I think it would detract from our prestige and position in the non-Communist world, as well as render ineffective the implementation of our basic foreign policy.

So I intend to vote in favor of this foreign aid appropriations bill because I

feel it is important to us and to the rest of the free world.

And I will do so even though I am deeply disappointed that the House prohibition against the Export-Import Bank guarantee of credit arrangements for the proposed wheat deal has been weakened to the point that there is no longer any prohibition.

If the various wheat sales were to be consummated as originally announced by the late President Kennedy, and my colleagues will recall that this was supposed to be strictly a cash-on-the-barrel-head proposition, a prohibition against a credit guarantee would not have any effect at all.

The Communists were originally supposed to pay the going price for this wheat in either cash or gold and it was to be carried in American ships.

Well, what has happened to the wheat deal since then? First, despite the announcement that this was to be a cash deal, we now find that, most likely we are going to loan the Communists the money they need to pay for our wheat. And since no banker in his right mind would trust them to honor their debts, our Government must guarantee the loan. In other words, the American taxpayer is quite likely to be left holding the bag, from beginning to end.

It may be that we will get no money at all, aside from a downpayment perhaps, for in effect we will be loaning the purchase price to nations which have already defaulted on hundreds of millions of dollars worth of obligations to us, just as they have betrayed their other agreements.

On two occasions in the Senate I have voted in support of a prohibition against the Export-Import Bank guarantee of credit terms.

I cannot help but continue to question the wisdom of this wheat deal as it has evolved from the initial announcement.

I have every confidence in our President and I hope he will reappraise this situation and drive a really hard bargain with the Communists before the negotiations for a wheat sale are completed. If he is not tough, and on the basis of my knowledge of the President I am sure he will be, I am afraid the Communists will take us on this as they have on other occasions.

But the wheat deal is only one aspect of the bill before us today and the fact that my views on this wheat sale have not prevailed is not sufficient reason for me to vote against the whole foreign aid program.

It is very seldom that we have a chance to vote for exactly what we want. And I believe the good in this foreign aid appropriations bill far outweighs the bad.

Mr. MORSE. Mr. President, I yield 1 minute to the Senator from New Hampshire [Mr. COTTON].

WHEAT DEAL: AN INCREDIBLE OUTRAGE

Mr. COTTON. Mr. President, in the Union Leader, of Manchester, N.H., appeared a statement made by me regarding the vote we are about to take. To save the time of the Senate I ask unanimous consent to have this brief article appear in the RECORD at this point.

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

COTTON TO CAST VOTE AGAINST AID MEASURE

LEBANON.—U.S. Senator NORRIS COTTON will not boycott Monday's showdown Senate session on foreign aid—as some Senators are planning to do—to prevent a quorum.

Contacted at his home here on Christmas, New Hampshire's senior Senator was asked if he would return to Washington for Monday's final vote on foreign aid—or stay away.

He told the Manchester Union Leader that he would return to Washington because it was his duty.

However, he revealed he would cast his vote against foreign aid—even though he knows full well that it is a lost cause trying to prevent passage of the administration bill.

PLANS "NO" VOTE

Senator COTTON emphasized that he is compelled to vote against the whole foreign aid bill because of a provision in it that is an incredible outrage having taxpayers guarantee payment in the event the Communists default on payment for wheat.

The Cotton statement on his position in Monday's foreign aid voting:

"Of course I shall return to Washington for Monday's final vote on foreign aid. No Senator should stay away to prevent a quorum. The President, as well as the people we represent, are entitled to have every Senator present and voting.

"But I shall not vote for the foreign aid bill nor shall I ever vote for any bill that permits the sale of American wheat to the Communists on credit, with the U.S. taxpayer guaranteeing the payment if the Communists default—and they have a long history of defaulting.

"To sell our surplus wheat to the Soviets for cash is bad enough. I would prefer to give it free to the hungry people behind the Iron Curtain, distributed by the American Red Cross. That, of course, the dictators would not permit. They want our wheat to help them quiet any unrest among their own people.

"If American bankers want to lend their money to permit the Communists to buy our wheat, run their own risk, and take their profit or loss, perhaps they should be allowed to do so though even that I would not approve.

"But for the Congress to deliberately put its hand into the pockets of our taxpayers to provide credit to the Communist dictators is an incredible outrage.

"Spell it any way you like, the plain fact is that our Government lets them have wheat on credit so they can continue to use their ready cash to build more missiles with which to destroy us.

"The bill will pass the Senate, for they have the votes, but I predict that those who vote for it will regret that vote more than any they have ever cast. I happen to know that many Senators are voting for it unhappily and under duress.

"I honor Congressmen WYMAN and CLEVELAND who stood with a solid phalanx of nearly every Republican and many Democrats in the House of Representatives and opposed the unthinkable wheat deal to the very end.

"I shall vote against it Monday as I have twice before even though it compels me to vote against the whole foreign aid bill."

MR. PASTORE. I yield 5 minutes to the Senator from Wyoming [Mr. McGEE].

MR. MCGEE. Mr. President, we are hearing again much talk about reorganization and evaluation of foreign aid. It seems to me that our memories tend to be a little short. Let us think back just a

little. The Congress in 1961 laid the groundwork for a new and significantly more effective concentrated foreign aid program. It consolidated the many agencies and functions of U.S. foreign assistance activities into a single agency. The legislation enacted just 2 years ago took full account of the congressional concern over the past foreign aid program. The new act reflected the congressional consensus about the policy direction and established congressional guidelines for administration of this complex program.

Mr. President, over the past 5 years I have had the opportunity to make a carefully calculated sequence of inspections to the trouble spots of the world that figure so heavily in all our foreign aid activities. These missions were conducted for the Committee on Appropriations. The most recent was a study mission in the last 2 months of 1962 to southeast Asia. As a result of this long-range survey I have had an excellent opportunity to observe our overseas assistance programs, both in countries conducting "hot wars" against Communist activities and those fighting battles against equally insidious cold war subversion attempts.

In the report following that study mission I suggested that our AID programs could be tightened up in several ways, including the more careful selection of priorities, firmer controls on the types and direction of aid, and selective cuts in personnel in AID missions.

As a result of our findings on this study mission, I delved further into the problems of AID's operations and staffing in special hearings conducted in May and June together with numerous interviews and conversations with persons concerned with many different aspects of these programs. At the conclusion of these hearings and my investigation of these problems, I made a special report to the Committee on Appropriations outlining both my findings and suggestions for future improvements. This report is available to the Members of the Senate. I might add that even during the hearings and investigations many of the problems we had encountered in southeast Asia were being corrected.

Among the suggestions made in my report were the following:

First. That the Agency take steps to equip itself with a field evaluation and survey group to provide objective evaluations of projects underway or under consideration.

Second. That a country-by-country review of existing programs be undertaken so that we will be better able to understand and evaluate our position at any given time.

Third. That recipient countries make meaningful contributions to any program instituted by AID.

These are just a few of a sizable number of suggestions and recommendations contained in this report.

As this report testifies it was a massive job to turn this aid program around. It took a longer time than many of us expected, but the fact is that the foreign aid program is now making long strides toward effectiveness.

I had an opportunity, during the hearings we conducted, to observe the new AID Administrator, David Bell. He is intelligent, tough-minded, responsible, and responsive. The Agency for International Development has indicated to me the progress made on each of the points and recommendations contained in our report.

For example, the number of aid officials on acting status has been reduced sharply; "selection out" panels, for eliminating marginal employees, have got underway; several key posts have been filled with new, competent men.

It is still true, of course, that much needs to be done, in personnel and elsewhere—but much has been done already, and much is being worked on right now.

In addition to the response being given to our report a number of other basic improvements have been made and are continuing under the direction of the Administrator:

First. Steps have been taken to reduce further the already small negative effect of AID on the current U.S. balance of payments. As a result, about 85 percent of the dollars appropriated for fiscal year 1964 will be spent for purchases in the United States. By next fiscal year—fiscal year 1965—it is estimated that the negative effect of AID assistance on the balance of payments will be reduced to \$500 million.

Second. Loans have become the major instrument of foreign assistance. In fiscal year 1964, 60 percent of total economic assistance will be in loans, compared to 30 percent in 1961.

Third. Special efforts have been introduced and expanded to increase the role of private enterprise, both in the developing countries and in the United States in the development effort. Since September 1962, 16 completely new investment guarantee agreements have been signed with developing countries. In 11 other countries, coverage has been expanded. During this fiscal year, the total of investment guarantees of all types will cross the \$1 billion mark. Local currency loans to private investors under Public Law 480 have increased rapidly. AID has loaned more than \$150 million in development loans to private enterprise since AID was established. AID has mounted a new program to help U.S. private enterprise to survey investment opportunities around the world.

Fourth. AID has met with increasing success in its efforts to get other industrialized nations to provide more assistance on more liberal terms. The British recently issued a white paper outlining their intention to substantially liberalize the terms on which they provide assistance. The Canadians have just announced a major step-up in their assistance effort.

Fifth. AID is hardening its loan terms as the capacity to repay of recipient countries improves. Greece, Israel, Taiwan, and Thailand provide examples of countries in which loan terms have been progressively hardened from fiscal 1962 to 1963.

Sixth. AID has completed termination of economic assistance programs to 15

countries which have achieved sufficient self-sustaining growth.

Seventh. More effective methods of administration of the program overseas have been developed. Already AID has created 10 "delegated posts" in which the ambassador performs AID functions, thus eliminating the need for a separate AID mission and director. In other countries, steps are being taken to consolidate management functions of AID, USA, and embassies.

Eighth. Concentration and selectivity both among AID recipient countries and within individual country aid programs have been increased. Now, 20 countries receive 80 percent of economic assistance; 10 countries receive 80 percent of military assistance.

Ninth. Task forces were established to review all procedures for carrying out assistance programs. The first procedures generated by this review have already been established. These procedures are designed to focus responsibilities more sharply, reduce paper flow, expedite action, and shift more responsibility to those charged with implementing the program in the field.

Tenth. To improve performance and minimize the need for full time permanent employees, AID is making increasing use of the vast talents of the entire American community in its assistance efforts. These include business and industry, colleges and universities, private service organizations, and other Federal Government agencies and State governments.

Eleventh. AID has exercised tighter control over personnel levels and functions. Major personnel functions have been decentralized to the four regions, thus improving efficiency and reducing duplication. Many missions have been reduced in size; others, notably in Latin America have been increased. Sharp reductions in personnel have been effected in Greece, Israel, Korea, Libya, Ethiopia, and Free China. Loan officers and public safety advisers have been added—with increase offset by reduction in other technical specialties.

Mr. President, it is ironic that at the very time when our foreign assistance program is getting the best direction and guidance it has had in the last decade that we should hear demands that it be dismantled. It is ironic that just at the time when the Agency for International Development is beginning to accomplish the goals that the Congress set for it that we now hear in these halls demands for its abolition. It is ironic that at a time when the AID has changed and reformed its procedures and personnel practices that we hear demands for changes and reforms already being accomplished.

Certainly changes needed to be made; they have already been made. Certainly reforms need to be instituted; they are already being instituted. The reorganization of 1961 was in itself a major and total reorganization of our foreign assistance program designed to accomplish the very tasks its critics now claim it should be doing. It is true that the executive branch did not move with the speed and dispatch in carrying out that reorganization that some of us would

have liked. But it is equally true that this is now being carried out and that it would be a grave error to interrupt that process. Indeed, demands for reorganization, overhauling, reorientation may very well be the greatest danger to achieving the efficient, effective, coherent, sensible foreign aid program that we all desire and that this country needs.

What we are seeing washed up on the beach is the wreckage resulting from a storm at sea 4 years ago. We must remember that most of the examples of waste and inefficiency being cited in this body occurred prior to the reorganization of 1961 and prior to the present direction of the Agency.

I find it hard to understand how we can achieve continuity in the sensible planning demanded by critics of foreign aid if we are to tear it up every year, leave it in a state of uncertainty, toss it back and forth in the debates in this Congress, wait for 6 months before we appropriate its money, and then expect it to be coherent, organized, crisp, and lean in its presentation to us and in its operations abroad.

Mr. President, there can be no doubt that this is a point on which there is unanimous agreement—that foreign aid is an essential instrument and tool of foreign policy. It can, must, and will be continued in one form or another. Nearly all of the opponents of this legislation have paid that concept lip service by saying they are not opposed to foreign aid but only the way it is being carried out. If effective administration and organization is their goal, then let them study more closely, as my colleagues and I have done, its administration and operating procedures. They will find them much improved. They will find the quality of management decisions and economic judgments better now than they have been in recent memory. Areas that need to be improved are being improved. Changes that needed to be made have been or are in the process of being made.

The proper role for Congress is to establish and write policy, not to administer the executive branch. Let us confine ourselves to that more important and significant role, policymaking, not administering difficulties particularly applicable to the foreign assistance program which now has one of the best top management teams of any Federal agency. It would be ironic indeed, perhaps tragic, if this Agency were to be gutted, destroyed, or seriously crippled precisely at the time when it is meeting the criteria for effectiveness and efficiency set for it by the Congress.

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

Mr. MORSE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time of debate has been yielded back and has expired.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE],

the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONROE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Michigan [Mr. HART], and the Senator from Washington [Mr. JACKSON] would each vote "yea."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Illinois would vote "yea."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Arkansas would vote "yea."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Missouri would vote "yea."

On this vote, the Senator from Arkansas [Mr. McCLELLAN] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from New Jersey would vote "yea."

On this vote, the Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Oklahoma [Mr. MONROE]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Oklahoma would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE], the Senator from Colorado [Mr. DOMINICK], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], and the Senator from

North Dakota [Mr. YOUNG] are necessarily absent.

I also announce that the Senator from South Dakota [Mr. MUNDT] is absent on official business.

The Senator from New Mexico [Mr. MECHEM] is absent because of illness.

The Senator from Nebraska [Mr. CURTIS] is detained on official business.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business to attend the Presidential inauguration in Korea.

The Senator from Wyoming [Mr. SIMPSON] is absent because of illness in his family.

On this vote, the Senator from Hawaii [Mr. FONG] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Hawaii would vote "yea," and the Senator from Arizona would vote "nay."

On this vote, the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from New Mexico [Mr. MECHEM]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Wyoming [Mr. SIMPSON]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 56, nays 14, as follows:

[No. 284 Leg.]

YEAS—56

Alken	Hartke	Moss
Allott	Hickenlooper	Muskie
Anderson	Holland	Nelson
Bartlett	Humphrey	Neuberger
Bayh	Inouye	Pastore
Beall	Javits	Pearson
Boggs	Keating	Pell
Brewster	Kennedy	Prouty
Burdick	Kuchel	Proxmire
Byrd, W. Va.	Long, Mo.	Randolph
Cannon	Magnuson	Ribicoff
Carlson	Mansfield	Saltonstall
Church	McCarthy	Smathers
Clark	McGee	Smith
Cooper	McGovern	Sparkman
Dirksen	McIntyre	Walters
Dodd	McNamara	Yarborough
Engle	Metcalf	Young, Ohio
Gore	Morton	

NAYS—14

Bennett	Jordan, Idaho	Morse
Byrd, Va.	Jordan, N.C.	Thurmond
Cotton	Lausche	Tower
Ervin	Long, La.	Williams, Del.
Hruska	Miller	

NOT VOTING—30

Bible	Eastland	Goldwater
Case	Edmondson	Gruening
Curtis	Ellender	Hart
Dominick	Fong	Hayden
Douglas	Fulbright	Hill

Jackson	Mundt	Stennis
Johnston	Robertson	Symington
McClellan	Russell	Talmadge
Mechem	Scott	Williams, N.J.
Monroney	Simpson	Young, N. Dak.

So the report was agreed to.

Mr. PASTORE. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

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

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

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I arrived in the Chamber shortly after the yea-and-nay vote was taken. I was paired with the distinguished senior Senator from Arizona [Mr. HAYDEN], but I want the RECORD to show that I was opposed to the conference report.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 9499, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
December 24, 1963.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 22, 25, and 26 to the bill (H.R. 9499) entitled "An Act making appropriations for Foreign Aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

"None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or qualified citizens of the United States, provided, however, that the President may waive the application of this amendment if it is important to the national interest."

Mr. PASTORE. Mr. President, for the information of the Senate, let me state that if Senators will remain in the Chamber, we can easily conclude our work on this measure by 1:30 p.m.

This is a very simple amendment. It was amended in the conference. Originally, it was suggested to the committee by the distinguished Senator from California [Mr. KUCHEL], who was rightfully disturbed over the engagement of third-nation nationals to do work in the second country where our foreign aid was being given. This provision has now been perfected. A further modification was included in the conference—namely, that the President may waive the appli-

cation of this provision if it is important to do so in the national interest—for sometimes it does become necessary to engage nationals of a third country, in order to keep down costs, and if they have the particular skill that is required and if they are available. I understand that that is satisfactory to the Senator from California. I believe that the proposal ought to be approved without a record vote.

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

Mr. PASTORE. I yield.

Mr. KUCHEL. I merely wish to confirm what my able friend has said. In my judgment, the amendment is in order and would be helpful. The intention of the amendment nevertheless is plain. I ask that the amendment be approved.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield back the remainder of his time?

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate concur in the amendment of the House to the amendment of the Senate numbered 14?

The amendment to the amendment was agreed to.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair lays before the Senate the message from the House receding from its disagreement to the amendment of the Senate numbered 20, and concurring therein with an amendment, which will be stated.

The LEGISLATIVE CLERK. *Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 20, and concur therein with an amendment, as follows: Restore the matter stricken, amended to read as follows:

"None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination."

Mr. PASTORE. Mr. President, I do not believe that we need labor the amendment. It was clearly stated by the clerk. The language is customary. There is precedent for the language. There would be a prohibition or limitation on the use of the funds unless the President should determine that such guarantees would be in the national interest, and he would make a report of that determination to the House of Representatives and the Senate. He must do so within 30 days.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. AIKEN. How much money is provided in the bill for the use of the Export-Import Bank?

Mr. PASTORE. I know of no funds provided, excepting that there would be some limitations.

Mr. AIKEN. Other than an expression of opinion, what would be the effect of the amendment, or the amendment for which the present proposal was substituted?

Mr. PASTORE. It would merely be a statement of policy.

Mr. AIKEN. Would it be binding upon the President?

Mr. PASTORE. It would be binding upon the President in the event the funds are to be used for that purpose.

Mr. AIKEN. But could the funds provided in the proposed legislation be used for that purpose anyway?

Mr. PASTORE. That is correct. Originally it was subject to a point of order in the House, but the point of order was never made.

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

Mr. PASTORE. I yield.

Mr. HOLLAND. Am I correct in my understanding that all that would be permitted, even though the President should make the finding required, is for the Export-Import Bank to guarantee the deferred payments for materials sold by us, and that the proposal would by no means allow the Export-Import Bank to make loans?

Mr. PASTORE. Not to make loans, but they could extend credit. The purchase must be made in America.

Mr. HOLLAND. And the proposal would apply to guarantees, and not to direct loans.

Mr. PASTORE. It would not be a loan, but an extension of credit.

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

Mr. PASTORE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. It is my understanding that there is involved a question of limitation of policy on the part of the Export-Import Bank. No funds would be involved by way of an appropriation, but there would be a certain limitation on the use of Export-Import Bank funds as an expression of policy on the part of Congress.

Mr. PASTORE. Yes, as the Senator from Vermont brought out, no funds would be appropriated under the title.

Mr. AIKEN. Not a nickel would be available under the bill to the Export-Import Bank.

Mr. PASTORE. The Senator is absolutely correct. In the House the provision was subject to a point of order.

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

Mr. PASTORE. I yield.

Mr. HRUSKA. Is it not a little misleading to suggest that no funds would be available for that purpose, inasmuch as a guarantee of credit means that incipiently there must be funds available in case the credit is not honored?

Mr. PASTORE. No. If the Senator will read the language of the amendment, he will see that none of the funds made available would be available because of the provisions of that title. There may be funds made available under some other title, but that is not the issue before the Senate. The point made by the distinguished Senator from Vermont is well taken. The language is as follows:

Under the provisions of this title—

Which is title III of the foreign aid bill.

Mr. HRUSKA. Can we agree—

Mr. PASTORE. But it is a statement of policy. I believe the President of the United States will take cognizance of it.

Mr. HRUSKA. Can we agree on the statement that the effect of the amendment is to negate totally the original provision of the House bill?

Mr. PASTORE. No; the Mundt amendment was written in the same way. The proposal is a copy of the Mundt amendment.

Mr. HRUSKA. I am talking about the House provision as it was found in the foreign aid bill.

Mr. PASTORE. The Senator is correct. That part of the bill has not been changed.

Mr. HRUSKA. In effect, that would negate it.

Mr. PASTORE. Negate what, and in what way?

Mr. HRUSKA. Why does the President object to the provision which the House inserted, and why is he now willing to accept the proposed provision? If it makes no difference, why should we adopt the proposal?

Mr. PASTORE. The President of the United States would rather not have the provision in the conference report at all. The Senate would rather not have it in its original form. We have modified the House version by providing that when the President determines it is in the national interest to do so he may take certain action. The action can be taken only if he makes such determination.

Mr. HRUSKA. So it is binding upon the President. He may use his own discretion, and when he uses his own discretion, the thing that the House desired—

Mr. PASTORE. The President of the United States—the Commander in Chief of the United States—has that power within his discretion, and he may use it.

Mr. HRUSKA. As the person in charge of the foreign affairs of our Nation.

Mr. PASTORE. Under the Constitution.

Mr. HRUSKA. However, the Export-Import Bank is not a creature of the Presidency. It is a creature of the Senate and the House, as a part of our national legislative policy, and that is not a part of the responsibilities of the President, even though his position in leading the Nation in its foreign policy be exalted.

Mr. PASTORE. Yes; but the Congress can refuse to appropriate funds.

Mr. HRUSKA. It can.

Mr. PASTORE. That is the remedy of the Congress.

Mr. HRUSKA. Very well.

Mr. PASTORE. I do not know what is disturbing the Senator from Nebraska.

Mr. HRUSKA. What disturbs the Senator from Nebraska is the fact that the House action has negated the action of the Senate.

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

Mr. PASTORE. I yield.

Mr. HOLLAND. I believe the Senator from Nebraska knows that I supported the original Mundt amendment on the floor of the Senate as warmly as he did. I voted all three times that the issue came up in the Senate in the same way that he did. I still feel that way about it. At the time when we were in conference—and I believe that this point should show in the RECORD—we were advised by the White House that the President was willing to assume the responsibility in this matter and that if the House amendment, which was written in the same way as the Mundt amendment, were so amended as to allow him to assume that full responsibility, he would accept that action. It was for that reason, if I may say to my distinguished friend, the Senator from Rhode Island—I am sure he can bear this out—that this final agreement was made after many hours of controversy in the conference. As an original supporter of the Mundt amendment, I do not believe that my distinguished friend from Nebraska is correct in saying that the action completely negates the original Mundt amendment or the version of that amendment, which was almost word perfect, that was adopted by the House, and merely makes it a question on which the President must make a declaration. He must make a finding and communicate that finding as a justification for any extension of a guarantee on the part of the Export-Import Bank.

Mr. PASTORE. Mr. President, this is not the first time we have taken the action proposed. We took similar action for President Eisenhower and for President Kennedy. In this critical time President Johnson has said, "Why do you not do it for me?" He would prefer not to have the provision in the report at all. The position of the President of the United States is that the provision does not belong in the bill, but if we insist on putting anything in there, he has said, "At least give me the authority as President of the United States to say when in the national interest it would be proper to extend credit." That is all it amounts to.

Mr. HOLLAND. That is exactly correct. That is the basis upon which the conference compromise was reached.

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

Mr. PASTORE. I yield to the Senator from South Carolina.

Mr. THURMOND. I thank the distinguished Senator from Rhode Island.

Mr. President, I should like to have the RECORD show that I oppose having the Export-Import Bank or any other

creature of the Congress or any agency of the Federal Government guarantee for any person or corporation any loan which in effect extends credit to Communist nations to buy wheat or any other agricultural commodity. The stated aim of the Communists is to communize and enslave all the peoples of the world and I want to have no part in any action which I fear will help them in the attainment of this goal.

I thank the Senator for yielding.

Mr. PASTORE. I thank my colleague, the Senator from South Carolina.

Mr. AIKEN and Mr. CURTIS addressed the Chair.

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, there seems to be a general public belief that this provision would apply only to the export of wheat to Russia. It is correct to say, is it not, that not only would it apply to the export of wheat to Russia, but also it would apply to the export of wheat to a great many other countries, as well as to the export of anything whatsoever to any of the countries to which the proponents would have exports prohibited except on a cash-in-advance basis?

Mr. PASTORE. The Senator is correct. Before one can buy at all, one must have a license.

Mr. AIKEN. That is correct.

Mr. PASTORE. Then, if one wishes credit, as prescribed in the discussion which has been held, one must have a determination by the President. The Senator is correct.

Mr. AIKEN. It is also correct to say, is it not, that it is now costing the United States about \$400 million a year to store surplus grain in this country, and that most of the grain is stored in about seven or eight States?

Mr. PASTORE. All I know is that none of it is stored in Rhode Island.

Mr. AIKEN. Nor in Vermont.

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

Mr. PASTORE. I yield to the Senator from New Hampshire.

Mr. COTTON. In view of the fact that probably there will not be a yeand-nay vote on this question, I appreciate this opportunity to go on record and to say that no matter how much sugar coating has been put on the provision and no matter how adroit have been the arguments to beat the devil around the bush, it means nothing, it means something to me. I want the RECORD to show I shall vote against it.

Mr. MORSE rose.

Mr. PASTORE. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have the floor in my own right.

Mr. PASTORE. I yield the floor.

Mr. MORSE. Mr. President, I yield myself 5 minutes.

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

Mr. MORSE. Mr. President, I want the RECORD to show that I am opposed to the position of the Senate conferees,

approving giving discretionary authority to the President of the United States. As I said earlier today in my speech on the conference report, article I of the Constitution places in Congress the authority to regulate commerce among the States and with foreign nations. It does not place that authority with the President of the United States.

I am greatly concerned about the growing tendency in the Congress to delegate away its functions to the Presidency. I speak about the Presidency and not about the holder of the office.

There are strong forces at work in this country to downgrade the Congress and to treat it almost as a cumbersome nuisance in our governmental processes. Unless the Members of Congress themselves fight to preserve congressional constitutional authority, I fear that in our time we shall not have the constitutional system of government that our Founding Fathers designed. We may have it in form, but in fact the White House will be in control of the country, with the Congress of the United States serving in large extent as its rubber-stamp.

Every once in a while there break out, in American life, proposals for a parliamentary system. In 1946 a distinguished Member of Congress suggested that the President of the United States should resign because the people returned to Washington a Republican Congress. In his pronouncement at the time, he pointed out what would happen in Great Britain. I said then, as I repeat now, if that is the kind of system he likes he ought to go to Great Britain and run for the House of Commons. But he was elected to the Congress of the United States. Under the Constitution we have a three-branch system of government, coordinate and coequal.

I will continue to vote against attempts to weaken the constitutional authority of the Congress and to pass over to the Chief Executive more and more functions that Congress itself should perform. I say that, Mr. President, as a general political theory which causes me to oppose the conference report in respect to the so-called wheat amendment.

Mr. ERVIN. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. ERVIN. Do I correctly understand the position of the Senator from Oregon, succinctly stated, to be that the Export-Import Bank is the creature of the Congress, created by an act of Congress, and that it should have such powers and such responsibilities—and only those—as are conferred upon it by the Congress?

Mr. MORSE. That is exactly my position.

Mr. ERVIN. The proposed amendment would constitute an abdication of the legislative functions to the President, would it not?

Mr. MORSE. It would be a delegation to the President of a function Congress ought to retain for itself. This is the basis for my objection so far as the po-

litical theory of our Government is concerned.

I oppose this proposal for the other reasons I have heretofore expressed in the debate, which I shall recapitulate quickly.

I do not care how it is clothed, and I do not care how it is colored with legislative brushes, the fact remains that under this proposal the Export-Import Bank could guarantee grain dealers in this country against any loss in their trading with Russia. That is the essence of the fight.

To say that we have granted similar discretionary authority to other Presidents begs the question, because this issue is new.

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

Mr. MORSE. Mr. President, I yield myself another 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for an additional 5 minutes.

Mr. MORSE. This proposal is novel so far as the Export-Import Bank relations with Russia are concerned, and also so far as congressional relations with Russia are concerned.

There is no precedent of underwriting a guarantee to American grain dealers or to other American concerns in their dealings with Russia. I speak as one who not only is in favor of the sale of wheat to Russia, but also is in favor of giving food to the people behind the Iron Curtain everywhere, because if we are to break down, or to give those people an opportunity to break down, the growing threat of communism in the world, we must reach their stomachs. This shocking failure of the economy of Russia is one of the best weapons we have for demonstrating to them over and over again the superiority of economic freedom to economic enslavement.

But, Mr. President, there is a question of public policy, as to whether or not this Government should guarantee to American banks, grain dealers, or American brokers in connection with any other commodity, that they can trade with Russia without having to worry about being paid for their trade, because if they are not paid, the American taxpayers will pay them.

The fact is that every dollar in the coffers of the Export-Import Bank belongs to the American taxpayers. What is being proposed is that in dealing with Communist countries we guarantee a subsidy to the grain brokers, and brokers of other commodities, and assure them that they do not deal with Russia at any risk, but with guaranteed payments, if that becomes necessary.

There is no proposal in the report requiring a check on behalf of the American taxpayer of every ton of wheat that goes into every bottom that transports wheat to Russia. I know something about the tactics of the Russians. For many years I was west coast arbitrator for maritime disputes on the Pacific coast. We could not even get on a Russian ship, even when we thought she

was an ally in the midst of a war, for inspection of that ship of lend-lease supplies, and later of war supplies that we were giving her. Some very serious problems arose.

When we are dealing with the Russians in the matter of shipment of goods, we are dealing with a country that has been noted for its subterfuges, evasions, and failure to keep its word. We have not heard a word in this debate about the hundreds of millions of dollars that Russia still owes the American taxpayers out of the obligations she assumed in World War II. I would be more interested in an approach such as this if Russia had paid up what she already owes the American taxpayers through the Government.

Nothing stops the grain dealers and the banks from trading with Russia, if they want to deal with her. They can sell her the wheat. But I do not think we ought to put the American taxpayer in such a position that if there is a change of heart on the part of Russia—and she can change extremely fast—she can come up with a typical Communist alibi as to why she will not pay for the wheat, or the part which had not been paid for. She could make the excuse that the wheat, or a part of it, was wormy, or spoiled, or there was debris in it, or it was misrepresented as to quality. That is a typical Communist excuse. Therefore, I do not think we ought to put this subsidy burden on the American taxpayers and have the American taxpayers help the American grain speculators and brokers by way of a guarantee.

Russia has been buying much grain around the world without requirement of a guarantee. She has been buying much grain for cash. Why should we be the one government to provide a guarantee?

I think the time has come to ascertain whether or not there can be good faith dealing on the part of Russia with American private enterprise, on the basis of commercial credits, without Export-Import Bank guarantees.

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

Mr. MORSE. I yield myself another 5 minutes.

So I am opposed to it from the standpoint of policy involved in the argument I have just made.

Lastly, I am opposed to it because I do not think that the language that has come back from the conference means anything more or less than empty language. Every Senator voting for this proposal today knows that the language that was brought back to us from the conference gives us no automatic authority. Of course, Congress can always pass legislation repealing laws already passed by Congress, if the laws have not executed themselves. But this is a proposal that, if the President thinks, in the national interest, the credit should be extended, he in effect can extend it. All he has to do is send a report to the Congress. It does not provide that Congress must accept the report. It does not provide for a concurrent resolution. Nor does it call for the so-called negative approach that has been adopted in other situations in the past, whereby if the Congress does not act within 30 days, the President can go ahead and consummate the transaction. All this language requires is that the President, if he thinks it is in the national interest, may extend the credit.

I close by saying that it is unsound public policy. It is a great mistake to give credit guarantees to grain brokers and other industrialists who may trade

with Russia. The time has come for the Congress to zealously and jealously hold the constitutional power already given to it. Under article I of the Constitution, it is the Congress, and not the President, that is authorized by the Constitution to regulate commerce among the States and with foreign countries. I do not believe the power should be given to the President.

Mr. BEALL. Mr. President, I voted for the Mundt amendment. I oppose the sale of wheat to the Soviet Union. I am very much opposed to the amendment being offered. If given the opportunity to vote on it by a yea-and-nay vote, I would vote against it.

The PRESIDING OFFICER. All time having been yielded back, the question is on concurring in the House amendment to Senate amendment No. 20.

The amendment to the amendment was concurred in.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent that there be printed in the RECORD a table which shows the budget estimates, the amounts in the House and Senate versions of the bills, and the final amounts agreed to in conference for every appropriation bill approved during the 88th Congress, 1st session.

The total amount is \$6,513,041,004 under the budget estimates.

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

Table of appropriation bills, 88th Cong., 1st sess.

[Does not include back-door appropriations or permanent appropriations. Does include indefinite appropriations carried in annual appropriation bills]

Bill No.	Title	Budget estimates to House	Amount as passed House	Budget estimates to Senate	Amount as passed Senate	Final action: Amount as approved	Increase or decrease compared to budget estimates
1963 SUPPLEMENTALS							
H.J. Res. 284	Supplemental, Agriculture.....	¹ \$508,172,000	\$508,172,000	¹ \$508,172,000	\$508,172,000	\$508,172,000	—
H.R. 5517	Supplemental.....	1,641,507,106	1,438,691,506	1,652,300,456	1,488,683,841	1,467,430,491	—\$184,869,965
	Public works acceleration.....	(500,000,000)	(450,000,000)	(500,000,000)	(450,000,000)	(450,000,000)	(—50,000,000)
	All other.....	(1,141,507,106)	(988,691,506)	(1,152,300,456)	(1,038,683,841)	(1,017,430,491)	(—134,869,965)
	Total, 1963 supplementals.....	2,149,679,106	1,946,863,506	2,160,472,456	1,966,855,841	1,975,602,491	—184,869,965
1964 APPROPRIATIONS							
H.R. 5279	Interior.....	998,009,000	922,625,200	998,009,000	979,693,400	952,456,500	45,552,500
	Loan authorization.....	(13,000,000)	(6,000,000)	(13,000,000)	(6,000,000)	(6,000,000)	(—7,000,000)
	Contract authority.....	(17,500,000)	—	(17,500,000)	—	—	(—17,500,000)
H.R. 5366	Treasury-Post Office.....	6,146,842,000	5,997,026,000	6,146,842,000	6,069,466,250	6,045,466,000	—101,376,000
H.R. 5888	Labor-HEW.....	5,759,489,000	5,449,981,000	5,759,489,000	5,495,827,250	5,471,087,500	—288,401,500
H.R. 6754	Agriculture.....	6,368,755,000	5,979,457,000	6,368,755,000	6,047,988,340	6,224,370,215	—144,384,785
	Loan authorizations.....	² (855,000,000)	² (855,000,000)	² (855,000,000)	² (855,000,000)	² (855,000,000)	—
H.R. 6868	Legislative.....	³ 148,580,245	³ 140,038,919	182,218,450	168,273,069	168,293,069	—13,925,381
H.R. 7063	State, Justice, Commerce, Judiciary.....	2,159,891,900	1,851,259,900	2,159,891,900	1,821,343,000	1,820,093,000	—339,798,900
H.R. 7179	Defense.....	49,014,237,000	47,082,009,000	49,014,237,000	47,339,707,000	47,220,010,000	—1,794,227,000
H.R. 7431	District of Columbia.....	(289,581,800)	(284,286,800)	(328,724,000)	(319,587,785)	(313,093,424)	(—15,630,576)
	Federal payment.....	34,868,000	32,868,000	32,868,000	47,868,000	40,368,000	—12,500,000
	Loan authorizations.....	(8,000,000)	(8,000,000)	(20,800,000)	(20,800,000)	(19,300,000)	(—1,500,000)
H.R. 8747	Independent offices.....	14,658,588,000	13,102,718,700	14,658,588,000	13,390,214,650	13,224,518,050	—1,434,069,950
H.R. 9139	Military construction.....	1,966,400,000	1,562,964,000	1,966,400,000	1,617,489,000	1,585,880,000	—380,520,000
H.R. 9140	Public works.....	4,561,747,000	4,276,116,400	4,561,957,000	4,500,963,200	4,406,272,700	—155,684,300
H.R. 9499	Foreign aid.....	4,874,400,330	3,113,100,370	4,874,550,330	3,578,058,607	3,298,705,607	—1,575,844,723
H.J. Res. 875	Supplemental, mental retardation.....	41,886,000	41,886,000	41,886,000	258,090,000	—	—41,886,000
	Total, 1964 appropriations.....	⁴ 96,733,693,475	89,552,060,489	⁵ 96,785,691,680	91,224,981,766	90,457,520,641	—6,328,171,039
	Total, all appropriations.....	⁴ 98,883,372,581	91,498,923,995	⁵ 98,946,164,136	93,221,837,607	92,433,123,132	—6,513,041,004
	Total, loan authorizations.....	(876,000,000)	(869,000,000)	(888,800,000)	(906,800,000)	(880,300,000)	(—8,500,000)
	Total, contract authority.....	(17,500,000)	—	(17,500,000)	—	—	(—17,500,000)

¹ Shifted from budget for 1964, which was reduced accordingly.

² Includes \$360,000,000 for Farmers Home Administration loans currently made from loan repayments in lieu of former practice of public debt borrowings from Treasury.

³ Excludes Senate items.

⁴ Does not include \$32,427,000 included in H. Doc. No. 174 but not considered.

⁵ Does not include \$32,277,000 included in H. Doc. No. 174 but not considered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of December 12, 1963, the Acting President pro tempore, on the dates indicated, signed the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

On December 23, 1963:

S. 1175. An act to revise the boundaries of the Carlsbad Caverns National Park in the State of New Mexico, and for other purposes;

S. 2311. An act to provide for the preparation and printing of compilations of materials relating to annual national high school and college debate topics; and

H.J. Res. 848. Joint resolution to provide for the designation of the month of February in each year as "American Heart Month."

On December 26, 1963:

H.J. Res. 880. Joint resolution establishing that the 2d regular session of the 88th Congress convene at noon on Tuesday, January 7, 1964.

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 December 23, 1963, the President had approved and signed the following acts:

S. 212. An act for the relief of Yoo Sei Chun;

S. 697. An act for the relief of Misako Moriya;

S. 966. An act for the relief of Yukio Iseri;

S. 1097. An act for the relief of Despina J. Sanios;

S. 1129. An act for the relief of Thomas B. Bollers and Earlene Bollers;

S. 1172. An act to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518;

S. 1269. An act for the relief of the Arizona Milling Co., of Phoenix, Ariz.;

S. 1479. An act for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas;

S. 1516. An act for the relief of Ana Murgelj;

S. 1570. An act for the relief of Dulcie Ann Steinhart Sherlock;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1756. An act to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under that act;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 1868. An act to amend the act of August 3, 1956 (70 Stat. 986), as amended, relating to adult Indian vocational training;

S. 2139. An act to provide for the disposition of the judgment funds on deposit to the credit of the Kootenai Tribe or Band of Indians, Idaho;

S. 2228. An act to change the requirements for the annual meeting date for national banks;

S. 2275. An act to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; and

S. 2364. An act to provide that the Commission on the Disposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONSTRUCTION OF GROUND TEST FACILITIES AT MARSHALL SPACE FLIGHT CENTER, HUNTSVILLE, ALA.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of ground test facilities at the Marshall Space Flight Center, Huntsville, Ala.; to the Committee on Aeronautical and Space Sciences.

REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on title I agreements under the Agricultural Trade Development and Assistance Act, for the month of November 1963 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON FLIGHT PAY, U.S. AIR FORCE

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on flight pay, for the 6-month period ended August 31, 1963 (with an accompanying report); to the Committee on Armed Services.

REPORT ON DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on defense procurement from small and other business firms, for the period July–October 1963 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON PERMITS AND LICENSES FOR HYDRO-ELECTRIC PROJECTS ISSUED BY FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, pursuant to law, a report on the permits and licenses for hydroelectric projects issued by that Commission, during the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORTS AND RECOMMENDATIONS OF NATO PARLIAMENTARIANS CONFERENCE

A letter from the President, NATO Parliamentarians Conference, Paris, France, transmitting, for the information of the Senate, reports and recommendations adopted by that Conference at its ninth annual session, November 4–9, 1963 (with an accompanying

document); to the Committee on Foreign Relations.

REPORT OF COMPTROLLER GENERAL OF THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the activities of the U.S. General Accounting Office, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXCESSIVE COST OF LEASING COMPARED WITH BUYING CERTAIN ELECTRONIC DATA PROCESSING EQUIPMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the excessive cost of leasing compared with buying certain electronic data processing equipment at Kirtland Air Force Base, N. Mex., Department of the Air Force, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ERRONEOUS REPORTING OF TAXABLE INCOME AND TAXES WITHHELD FROM PAY OF MILITARY PERSONNEL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on erroneous reporting of taxable income and taxes withheld from pay of military personnel, Department of the Air Force, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON DESIRABILITY OF ESTABLISHING MORE EQUITABLE ARRANGEMENTS BETWEEN FEDERAL GOVERNMENT AND CERTAIN COMMERCIAL BANKS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on further comments on the desirability of establishing more equitable arrangement between the Federal Government and commercial banks maintaining Treasury Department tax and loan accounts, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, SPOKANE VALLEY PROJECT, WASHINGTON

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Spokane Valley project, Washington, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON COLORADO RIVER STORAGE PROJECT AND PARTICIPATING PROJECTS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Colorado River storage project and participating projects, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED AMENDMENT TO CONCESSION CONTRACT AT STATUE OF LIBERTY NATIONAL MONUMENT, NEW YORK, N.Y.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed amendment to the concession contract with Evelyn Hill, Inc., at the Statue of Liberty National Monument, New York, N.Y. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PROCEEDINGS OF JUDICIAL CONFERENCE OF THE UNITED STATES

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting, pursuant to law, a report of the proceedings of the Judicial Conference of the United States, held at Washington, D.C., September 17–18, 1963

(with an accompanying report); to the Committee on the Judiciary.

REPORT OF SUBVERSIVE ACTIVITIES CONTROL BOARD

A letter from the Chairman, Subversive Activities Control Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on the Judiciary.

JOHN A. PERALTA

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of John A. Peralta (with accompanying papers); to the Committee on the Judiciary.

REPORTS ON VISA PETITIONS ACCORDING FIRST PREFERENCE TO CERTAIN ALIENS

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

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution of the Board of County Commissioners of Spokane County, Wash., favoring the establishment of a U.S. mint in Spokane; to the Committee on Banking and Currency.

A resolution adopted by the mayor and council of the city of Tucson, Ariz., relating to the renaming in that city of a park to be known as the John Fitzgerald Kennedy Plaza; to the Committee on Interior and Insular Affairs.

A letter in the nature of a petition signed by Rev. Pelician Fritzel, of Los Angeles, Calif., relating to a carol written by him entitled "Peace Memorial"; to the Committee on Rules and Administration.

THE ASSASSINATION OF PRESIDENT KENNEDY—RESOLUTION OF FEDERAL HOUSE OF DEPUTIES OF BRAZIL

Mr. KENNEDY. Mr. President, the members of the Federal House of Deputies of Brazil passed a resolution in connection with the assassination of President Kennedy which they asked me to bring to the attention of the Congress.

I ask unanimous consent that the English translation forwarded to me by the deputies be printed at this point in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations, as follows:

[Unofficial translation]

Senator EDWARD KENNEDY,
Senate of the United States of America,
Washington, D.C.:

The undersigned, Members of the Federal House of Deputies of Brazil, address to the United States Congress, through your good offices, the expression of their earnest wishes for the thorough identification of the true motives and authors of the brutal act which took the life of the democratic leader John F. Kennedy, outraged the free conscience of the peoples of the world as it did that of the generous American people and gravely jeopardized hopes for peace and peaceful co-existence among all races, classes, religious faiths, and political ideologies throughout the world.

NAMES OF SIGNERS

João Doria, Breno da Silveira, Rolando Corbisier, Getúlio Moura, Bento Gonçalves, Antonio Bresolin, Ary Alcântara, Ruben Alves, Clay Araújo, Campos Vergal, Geremias Fontes, Manoel Almeida, Francisco Macedo, Geraldo de Pina, Theódulo de Albuquerque, Chagas Rodrigues, Ivan Luz, Sergio Magalhães, Doutel de Andrade, Clemens Sampaio, Mario Maia, Fernando Gama, Epitácio Cafeteira, Rogê Ferreira, Helio Ramos, Valério Magalhães, Benedito Vaz, Josaphat Azevedo, Plínio Sampaio, Clovis Pestana, Ortiz Borges, Francisco Julião, Jandúhy Carneiro, José Esteves, Paulo Coelho, Hélio Maghenzani, Benjamin Farah, Paulo Mansur, Lirio Bertoli, José Maria Ribeiro, Miguel Buffara, Antônio Anibelli, João Herculanio, Antonio Feliciano, Guilhermino de Oliveira, Abrahão Sabbah, Almino Afonso, Carlos Murilo, Palhano Sabola, Audizio Pinheiro, Florideno Paixão, Castro Costa, Pereira Lúcio, Antonio de Barros, João Veiga, Padre Nobre, Nogueira de Rezende, Silvio Braga, Pedro Marão, Marcelo Sanford, Machado Rollemberg, Olavo Costa, Zacarias Seleme, Leão Sampaio, Padre Vidigal, Renato Azeredo, Medeiros Neto, Nelson Carneiro, Mario Lima, Orlando Bertoli, José Carlos, Adrião Bernardes, Geraldo Freire Geraldo Mesquita, Wanderley Dantas, Daso Colmbra, Max da Costa Santos, Floriano Rubim, Leopoldo Peres, Henrique Lima, Manso Cabral, Tufy Nassif, Gil Veloso, Clodomir Millet, Arruda Câmara, Tabosa de Almeida, Celestino Filho, José Freire, João Alves, Lamartine Távora, Artur Lima, Viera de Melo, Djalma Passos, Josaphat Borges, Braga Ramos, José Carlos Teixeira, Costa Lima, Zaire Nunes, Estello Maroja, Ramon de Oliveira, Batista Ramos, Emmanuel Walssmann, Cesar Prieto, Lister Caldas, Rui Lino, Paulo de Tasso, Jales Machado, Ari Pitombo, Arnaldo Garcez, Levy Tavares, Segismundo Andrade, Nicolau Tuma, Américo Silva, Heitor Cavalcanti, Benedito Cerqueira, Temperani Pereira, Osmar Grafulha, Wilson Roriz, Cândido Sampaio, Moisés Pimentel, Garcia Filho, José Sarney, Sussumu Hirata, John Covas, Raphael Rezende, Paulo Freire, Magalhães Melo, Regis Pacheco, Dinar Mendes, Emilio Gomes, Alceu Carvalho, Derville Alegretti, Armando Carvalho, Alberto Aboud, Wilson Chedid, Oscar Cardoso, Mello Mourão, Tourinho Dantas, Elias Carmo, Celso Passos, Cardoso de Menezes, Aderbal Jurema, Aloisio Nonô, Lourival Batista, Anísio Rocha, Miguel Marcondes, Fernando Santana, Jaeder Albergaria, Horácio Betônico, Wilson Falcão, Celso Amaral, Edgard Pereira, Unirio Machado, Afonso Celso, Heracleio do Rêgo, Manoel Novais, Nely Novais, Luna Freire, Wilson Mar-

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REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL STOCKPILE INVENTORIES

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal stockpile inventories as of October 1963. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL STOCKPILE INVENTORIES, OCTOBER 1963

INTRODUCTION

This is the 47th in a series of monthly reports on Federal stockpile inventories. It is for the month of October 1963.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Departments of Agriculture, Defense, Health, Education, and Welfare, and Interior, and the General Services Administration.

The cost value of materials in inventories covered in this report, as of October 1, 1963, totaled \$14,537,174,286, and as of October 31, 1963, they totaled \$14,417,885,378, a net decrease of \$119,288,908 during the month.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, 4, and 5, but the cost value figures are summarized by major category, as follows:

Summary of cost value of stockpile inventories by major category

Major category	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month
Strategic and critical materials:			
National stockpile ¹	\$5,791,239,900	\$5,779,344,300	-\$11,895,600
Defense Production Act.....	1,491,620,400	1,489,638,200	-1,982,200
Supplemental—barter.....	1,347,267,417	1,350,137,038	+2,869,621
Total, strategic and critical materials ¹	8,630,127,717	8,619,119,538	-11,008,179
Agricultural commodities:			
Price support inventory.....	5,472,127,710	5,361,257,559	-110,870,151
Inventory transferred from national stockpile ¹	126,232,170	125,763,492	-468,678
Total, agricultural commodities ¹	5,598,359,880	5,487,021,051	-111,338,829
Civil defense supplies and equipment:			
Civil defense stockpile, Department of Defense.....	11,818,287	11,899,807	+81,520
Civil defense medical stockpile, Department of Health, Education, and Welfare.....	191,466,181	192,421,458	+955,277
Total, civil defense supplies and equipment.....	203,284,468	204,321,265	+1,036,797
Machine tools:			
Defense Production Act.....	2,208,600	2,208,600	—
National Industrial Reserve Act.....	89,797,300	89,745,000	-52,300
Total, machine tools.....	92,005,900	91,953,600	-52,300
Helium.....	13,306,321	15,499,924	+2,073,603
Total, all inventories.....	14,537,174,286	14,417,885,378	-119,288,908

¹ Cotton inventory valued at \$128,409,100 withdrawn from the national stockpile and transferred to Commodity Credit Corporation for disposal, pursuant to Public Law 87-548, during August 1962.

Detailed tables in this report show each commodity, by the major categories summarized above, in terms of quantity and cost value as of the beginning and end of the month. Net change figures reflect acquisitions, disposals, and accounting and other adjustments during the month.

The cost value figures represent generally the original acquisition cost of the commodities delivered to permanent storage locations, together with certain packaging, processing, upgrading, et cetera, costs as carried in agency inventory accounts. Quantities are stated in the designated stockpile unit of measure.

Appendix A to this report includes program descriptions and statutory citations

pertinent to each stockpile inventory within the major categories.

The stockpile inventories covered by the report are tabulated in detail as follows:

Table 1: Strategic and critical materials inventories (all grades), October 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month).

Table 2: Agricultural commodities inventories, October 1963 (showing by commodity net changes during the month in terms of cost value and quantity).

Table 3: Civil defense supplies and equipment inventories, October 1963 (showing by item net changes during the month in terms of cost value and quantity).

Table 4: Machine tools inventories, October 1963 (showing by item net changes during the month in terms of cost value and quantity).

Table 5: Helium inventories, October 1963 (showing by item net changes during the month in terms of cost value and quantity).

New stockpile objectives

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. Table 1 of this report reflects the new objectives for 12 materials.

Appendix B contains excerpts from the Office of Emergency Planning statement setting forth the new policy with respect to objectives for strategic and critical materials.

TABLE 1.—Strategic and critical materials inventories (all grades), October 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)

Commodity	Cost value			Unit of measure	Quantity				
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Maximum objective ¹	Excess over maximum objective
Aluminum, metal:									
National stockpile	\$487,680,600	\$487,680,600		Short ton	1,128,989	1,128,989			
Defense Production Act	433,096,700	432,395,600	-\$701,100	do	858,124	857,323	-801		
Total	920,777,300	920,076,200	-701,100		1,987,113	1,986,312	-801	2450,000	1,536,312
Aluminum oxide, abrasive grain:									
Supplemental—barter	14,827,844	15,145,323	+317,479	Short dry ton	48,757	48,074	+217	(²)	48,974
Aluminum oxide, fused, crude:									
National stockpile	21,735,100	21,735,100		do	200,093	200,093			
Supplemental—barter	22,747,400	22,747,400		do	178,266	178,266			
Total	44,482,500	44,482,500			378,359	378,359		200,000	178,359
Antimony:									
National stockpile	20,488,000	20,488,000		Short ton	30,301	30,301			
Supplemental—barter	12,635,191	12,739,199	+104,008	do	21,673	21,772	+99		
Total	33,123,191	33,227,199	+104,008	do	51,974	52,073	+99	70,000	(³)
Asbestos, amosite:									
National stockpile	2,637,600	2,637,600		do	11,705	11,705			
Supplemental—barter	6,847,459	6,877,475	+30,016	do	27,619	27,630	+11		
Total	9,485,259	9,515,075	+30,016	do	39,324	39,335	+11	45,000	(⁴)
Asbestos, chrysotile:									
National stockpile	3,356,200	3,356,200		Short dry ton	6,224	6,224			
Defense Production Act	2,102,600	2,102,600		do	2,348	2,348			
Supplemental—barter	3,934,500	3,934,500		do	5,532	5,532			
Total	9,393,300	9,393,300		do	14,104	14,104		11,000	3,104
Asbestos, crocidolite:									
National stockpile	702,100	702,100		Short ton	1,567	1,567			
Supplemental—barter	7,278,290	7,263,690	-24,600	do	27,437	27,437			
Total	7,980,390	7,965,790	-24,600	do	29,004	29,004		(⁵)	29,004
Bauxite, metal grade, Jamaica type:									
National stockpile	13,925,000	13,925,000		Long dry ton	879,740	879,740			
Defense Production Act	18,168,000	18,168,000		do	1,370,077	1,370,077			
Supplemental—barter	89,398,758	89,403,358	+4,600	do	5,780,590	5,780,590			
Total	121,491,758	121,496,358	+4,600	do	8,030,407	8,030,407		2,600,000	5,430,407
Bauxite, metal grade, Surinam type:									
National stockpile	78,552,500	78,552,500		Long dry ton	4,962,706	4,962,706			
Supplemental—barter	45,294,200	45,280,400	-13,800	do	2,927,260	2,927,260			
Total	123,846,700	123,832,900	-13,800	do	7,889,966	7,889,966		6,400,000	1,489,966
Bauxite, refractory grade:									
National stockpile	11,347,800	11,347,800		Long calcined ton	299,279	299,279		137,000	162,279
Beryl:									
National stockpile	9,768,400	9,768,400		Short ton	23,230	23,230			
Defense Production Act	1,425,800	1,425,800		do	2,543	2,543			
Supplemental—barter	22,739,500	22,739,500		do	11,321	11,321			
Total	33,933,700	33,933,700		do	37,094	37,094		23,100	13,994
Beryllium metal:									
Supplemental—barter	15,363,012	16,167,037	+804,025	do	132	136	+4	(⁶)	136
Bismuth:									
National stockpile	2,674,300	2,674,300		Pound	1,342,402	1,342,402			
Defense Production Act	52,400	52,400		do	22,901	22,901			
Supplemental—barter	5,540,200	5,540,200		do	2,506,493	2,506,493			
Total	8,266,900	8,266,900		do	3,871,796	3,871,796		3,000,000	871,796
Cadmium:									
National stockpile	18,631,000	18,037,400	-593,600	do	9,490,475	9,188,064	-302,411		
Supplemental—barter	12,327,600	12,327,600		do	7,448,989	7,448,989			
Total	30,958,600	30,365,000	-593,600	do	16,939,464	16,637,053	-302,411	6,500,000	10,137,053

See footnote at end of table.

TABLE 1.—Strategic and critical materials inventories (all grades), October 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

Commodity	Cost value			Unit of measure	Quantity				
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Maximum objective ¹	Excess over maximum objective
Castor oil:									
National stockpile	\$50,433,500	\$50,181,400	—\$252,100	do	192,119,777	189,932,037	2,187,740	² 22,000,000	167,932,037
Celestite:									
National stockpile	1,412,300	1,412,300		Short dry ton	28,816	28,816			
Supplemental—barter	225,646	225,646		do	5,416	5,416			
Total	1,637,946	1,637,946		do	34,232	34,232		22,000	12,232
Chromite, chemical grade:									
National stockpile	12,288,000	12,288,000		do	559,452	559,452			
Supplemental—barter	21,836,449	21,880,449	+44,000	do	699,647	699,647			
Total	34,124,449	34,168,449	+44,000	do	1,259,099	1,259,099		475,000	784,099
Chromite, metallurgical grade:									
National stockpile	264,565,500	264,565,500		do	3,795,292	3,795,292			
Defense Production Act	35,879,900	35,879,900		do	985,646	985,646			
Supplemental—barter	224,757,400	224,198,100	—559,300	do	1,543,110	1,543,110			
Total	525,202,800	524,643,500	—559,300	do	6,324,048	6,324,048		² 2,970,000	3,354,048
Chromite, refractory grade:									
National stockpile	25,149,300	25,149,300		do	1,047,159	1,047,159			
Supplemental—barter	5,039,000	5,039,000		do	179,775	179,775			
Total	30,188,300	30,188,300		do	1,226,934	1,226,934		1,300,000	(⁴)
Cobalt:									
National stockpile	169,205,200	169,205,200		Pound	76,664,297	76,664,297			
Defense Production Act	52,075,300	52,075,300		do	25,194,122	25,194,122			
Supplemental—barter	2,169,000	2,169,000		do	1,077,018	1,077,018			
Total	223,449,500	223,449,500			102,935,437	102,934,437		19,000,000	83,935,437
Coconut oil:									
National stockpile	10,408,700	9,019,400	—1,389,300	do	68,679,523	59,511,851	—9,167,672	(⁵)	59,511,851
Comelinite:									
Supplemental—barter	2,636,400	2,636,400		Long dry ton	67,636	67,636		(⁵)	67,636
Columbium:									
National stockpile	23,919,200	23,919,200		Pound	7,507,959	7,507,959			
Defense Production Act	50,238,900	50,238,900		do	8,222,684	8,222,684			
Supplemental—barter	799,100	799,100		do	388,877	388,877			
Total	74,957,200	74,957,200		do	16,119,520	16,119,520		1,900,000	14,219,520
Copper:									
National stockpile	522,800,300	522,969,400	+169,100	Short ton	1,008,266	1,008,266			
Defense Production Act	58,763,600	58,093,900	—669,700	do	104,765	103,708	—1,057		
Supplemental—barter	8,218,500	8,255,300	+36,800	do	12,382	12,382			
Total	589,782,400	589,318,600	—463,800	do	1,125,413	1,124,356	—1,057	² 775,000	349,356
Cordage fibers, abaca:									
National stockpile	37,739,800	37,739,800		Pound	149,732,545	149,732,545		150,000,000	(⁴)
Cordage fibers, sisal:									
National stockpile	42,809,700	42,809,700		do	316,366,880	316,366,880		320,000,000	(⁴)
Corundum:									
National stockpile	393,100	393,100		Short ton	2,008	2,008		2,000	8
Cryolite:									
Defense Production Act	6,956,700	6,890,200	—66,500	do	25,193	24,952	—241	(⁵)	24,952
Diamond dies:									
National stockpile	496,800	497,400	+600	Piece	16,487	16,696	+209	25,000	(⁴)
Diamond, industrial, crushing bort:									
National stockpile	61,609,500	61,609,500		Carat	31,113,411	31,113,411			
Supplemental—barter	15,800,500	15,800,500		do	5,550,579	5,550,579			
Total	77,410,000	77,410,000		do	36,663,990	36,663,990		30,000,000	6,663,990
Diamond, industrial, stones:									
National stockpile	100,501,500	100,501,500		do	9,315,183	9,315,183			
Supplemental—barter	186,324,500	186,324,500		do	15,425,827	15,425,827			
Total	286,826,000	286,826,000		do	24,741,010	24,741,010		18,000,000	6,741,010
Diamond tools:									
National stockpile	1,015,400	1,015,400		Piece	64,178	64,178		(⁵)	64,178
Feathers and down:									
National stockpile	37,083,300	36,853,100	—230,200	Pound	8,951,101	8,881,351	—69,750	² 3,000,000	5,881,351
Fluorspar, acid grade:									
National stockpile	26,167,500	26,167,500		Short dry ton	463,049	463,049			
Defense Production Act	1,394,400	1,394,400		do	19,700	19,700			
Supplemental—barter	33,530,700	33,530,700		do	673,232	673,232			
Total	61,092,600	61,092,600		do	1,155,981	1,155,981		280,000	875,981
Fluorspar, metallurgical grade:									
National stockpile	17,332,400	17,332,400		do	369,443	369,443			
Supplemental—barter	1,508,100	1,508,100		do	42,800	42,800			
Total	18,840,500	18,840,500		do	412,243	412,243		375,000	37,243

See footnotes at end of table.

TABLE 1.—Strategic and critical materials inventories (all grades), October 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

Commodity	Cost value			Unit of measure	Quantity				
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Maximum objective ¹	Excess over maximum objective
Graphite, natural, Ceylon, amorphous lump:									
National stockpile	\$937,900	\$937,900		do.	4,455	4,455			
Supplemental—barter	341,200	341,200		do.	1,428	1,428			
Total	1,279,100	1,279,100		do.	5,883	5,883		3,600	2,283
Graphite, natural, Madagascar, crystalline:									
National stockpile	7,056,200	7,052,100	-\$4,100	do.	34,233	34,213	-20		
Supplemental—barter	230,343	237,043	+6,700	do.	1,907	1,908	+1		
Total	7,286,543	7,289,143	+2,600	do.	36,140	36,121	-19	17,200	18,921
Graphite, natural, other, crystalline:									
National stockpile	1,896,300	1,896,300		do.	5,487	5,487		2,100	3,387
Hyoscine:									
National stockpile	30,600	30,600		Ounce	2,100	2,100		2,100	(4)
Iodine:									
National stockpile	4,08,000	4,082,000		Pound	2,977,648	2,977,648			
Supplemental—barter	1,066,000	1,066,000		do.	994,920	994,920			
Total	5,148,000	5,148,000		do.	3,972,568	3,972,568		4,300,000	(4)
Iridium:									
National stockpile	2,525,800	2,525,500		Troy ounce	13,937	13,937		4,000	9,937
Jewel bearings:									
National stockpile	4,129,600	4,129,600		Piece	51,626,565	51,626,565		57,500,000	(4)
Kyanite-mullite:									
National stockpile	794,500	786,000	-8,500	Short dry ton	9,190	9,091	-99	4,800	4,291
Lead:									
National stockpile	319,298,100	319,298,100		Short ton	1,050,370	1,050,370			
Defense Production Act	1,221,600	1,221,600		do.	3,225	3,225			
Supplemental—barter	78,398,600	78,398,600		do.	327,998	327,998			
Total	398,918,300	398,918,300		do.	1,381,593	1,381,593		20	1,381,593
Magnesium:									
National stockpile	129,803,800	129,351,800	-452,000	do.	178,801	178,178	-623	107,000	71,178
Manganese, battery grade, natural ore:									
National stockpile	21,025,500	21,025,500		do.	144,485	144,485			
Supplemental—barter	13,621,900	13,621,900		do.	137,700	137,700			
Total	34,647,400	34,647,400		do.	282,185	282,185		50,000	232,185
Manganese, battery grade, synthetic dioxide:									
National stockpile	3,095,500	3,095,500		Short dry ton	21,272	21,272			
Defense Production Act	2,524,700	2,524,700		do.	3,779	3,779			
Total	5,620,200	5,620,200		do.	25,051	25,051		20,000	5,051
Manganese, chemical grade, type A:									
National stockpile	2,133,300	2,133,300		do.	29,307	29,307			
Supplemental—barter	7,917,200	7,922,100	+4,900	do.	117,607	117,607			
Total	10,050,500	10,055,400	+4,900	do.	146,914	146,914		30,000	16,914
Manganese, chemical grade, type B:									
National stockpile	132,600	132,600		do.	1,822	1,822			
Supplemental—barter	6,665,700	6,669,800	+4,100	do.	88,016	99,016			
Total	6,798,300	6,802,400	+4,100	do.	100,838	100,838		53,000	47,838
Manganese, metallurgical grade:									
National stockpile	248,240,300	248,240,300		Short dry ton	5,851,264	5,851,264			
Defense Production Act	176,474,400	176,474,400		do.	3,056,691	3,056,691			
Supplemental—barter	239,729,058	241,202,862	+1,473,804	do.	3,606,987	3,654,959	+47,972		
Total	664,443,758	665,917,562	+1,473,804	do.	12,514,942	12,562,914	+47,972	6,800,000	5,762,914
Mercury:									
National stockpile	20,039,500	20,039,500		Flask	129,525	129,525			
Supplemental—barter	3,446,200	3,446,200		do.	16,000	16,000			
Total	23,485,700	23,485,700		do.	145,525	145,525		200,000	(4)
Mica, muscovite block:									
National stockpile	27,631,200	27,602,200	-29,000	Pound	11,609,000	11,617,756	+8,756		
Defense Production Act	40,746,400	40,746,400		do.	6,446,722	6,446,722			
Supplemental—barter	5,287,250	5,395,162	+107,912	do.	1,594,035	1,617,772	+23,737		
Total	73,664,850	73,743,762	+78,912	do.	19,650,357	19,682,250	+31,893	8,300,000	11,382,250
Mica, muscovite film:									
National stockpile	9,058,100	9,058,100		do.	1,733,083	1,734,327	+1,244		
Defense Production Act	633,300	633,300		do.	102,681	102,681			
Supplemental—barter	1,053,033	1,064,500	+11,467	do.	107,687	108,765	+1,078		
Total	10,744,433	10,755,900	+11,467	do.	1,943,451	1,945,773	+2,322	1,300,000	635,773

See footnotes at end of table.

CIX—1613

TABLE 1.—Strategic and critical materials inventories (all grades), October 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

Commodity	Cost value			Unit of measure	Quantity				
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Maximum objective ¹	Excess over maximum objective
Mica, muscovite splittings:									
National stockpile	\$40,598,300	\$40,598,300		do.	40,159,938	40,159,938			
Supplemental—barter	6,225,800	6,225,800		do.	4,826,257	4,826,257			
Total	46,824,100	46,824,100		do.	44,986,195	44,986,195		21,200,000	23,786,195
Mica, phlogopite block:									
National stockpile	303,600	303,600		do.	223,239	223,239		17,000	206,239
Mica, phlogopite splittings:									
National stockpile	2,580,500	2,580,500		do.	3,079,063	3,079,063			
Supplemental—barter	2,400,115	2,400,115		do.	1,986,907	1,986,907			
Total	4,980,615	4,980,615		do.	5,065,970	5,065,970		1,700,000	3,365,970
Molybdenum:									
National stockpile	83,679,000	83,679,000		do.	79,038,361	79,043,336	+4,975	59,000,000	20,043,336
Nickel:									
National stockpile	181,974,500	181,960,400	-\$14,100	Short ton	167,131	167,109	-22		
Defense Production Act	101,536,400	101,072,100	-464,300	do.	53,133	52,767	-366		
Total	283,510,900	283,032,500	-478,400	do.	220,264	219,876	-388	50,000	169,876
Opium:									
National stockpile	13,661,700	13,661,700		Pound	195,757	195,757		141,280	54,477
Palladium:									
National stockpile	2,079,000	2,079,000		Troy ounce	89,811	89,811			
Defense Production Act	177,300	177,300		do.	7,884	7,884			
Supplemental—barter	12,170,200	12,170,200		do.	648,124	648,124			
Total	14,426,500	14,426,500		do.	745,819	745,819		340,000	405,819
Palm oil:									
National stockpile	3,962,700	3,841,200	-121,500	Pound	22,016,098	21,340,692	-675,406	(²)	21,340,692
Platinum:									
National stockpile	56,879,900	56,879,900		Troy ounce	716,343	716,343			
Supplemental—barter	4,024,500	4,024,500		do.	49,999	49,999			
Total	60,904,400	60,904,400		do.	766,342	766,342		165,000	601,342
Pyrethrum:									
National stockpile	415,100	451,100		Pound	67,065	67,065		66,000	1,065
Quartz crystals:									
National stockpile	68,587,800	68,560,900	-26,900	do.	5,560,319	5,558,138	-2,181		
Supplemental—barter	3,200,900	3,519,200	+318,300	do.	232,352	232,352			
Total	71,788,700	72,080,100	+291,400	do.	5,792,671	5,790,490	-2,181	650,000	5,140,490
Quinidine:									
National stockpile	1,912,800	1,901,400	-11,400	Ounce	1,658,377	1,648,428	-9,949	1,600,000	48,428
Quinine:									
National stockpile	3,622,600	3,622,600		do.	5,727,732	5,727,732		(²)	5,727,732
Rare earths:									
National stockpile	7,134,900	7,134,900		Short dry ton	10,042	10,042			
Supplemental—barter	5,787,811	5,803,211	+15,400	do.	6,355	6,091	-264		
Total	12,922,711	12,938,111	+15,400	do.	16,397	16,133	-264	5,700	10,433
Rare earths residue:									
Defense Production Act	657,800	657,800		Pound	6,085,327	6,085,311	-16	(²)	6,085,311
Rhodium:									
National stockpile	78,200	78,200		Troy ounce	618	618		(²)	618
Rubber:									
National stockpile	755,759,700	749,148,000	-6,611,700	Long ton	977,521	968,649	-8,872	750,000	218,649
Ruthenium:									
Supplemental—barter	559,500	559,500		Troy ounce	15,001	15,001		(²)	15,001
Rutile:									
National stockpile	2,070,100	2,070,100		Short dry ton	18,599	18,599			
Defense Production Act	2,725,100	2,725,100		do.	17,410	17,410			
Supplemental—barter	1,061,300	1,061,300		do.	11,632	11,632			
Total	5,856,500	5,856,500		do.	47,641	47,641		65,000	(²)
Rutile chlorinator charge:									
Defense Production Act				do.	1,877	1,859	-18	(²)	1,859
Sapphire and ruby:									
National stockpile	190,000	190,000		Carat	16,187,500	16,187,500		18,000,000	(²)
Selenium:									
National stockpile	757,100	757,100		Pound	97,100	97,100			
Supplemental—barter	1,070,500	1,070,500		do.	156,518	156,518			
Total	1,827,600	1,827,600		do.	253,618	253,618		400,000	(²)

See footnotes at end of table.

TABLE 1.—Strategic and critical materials inventories (all grades), October 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

Commodity	Cost value			Unit of measure	Quantity				
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Maximum objective ¹	Excess over maximum objective
Shellac:									
National stockpile	\$8,535,700	\$8,519,300	-\$16,400	do.	17,025,913	16,993,123	-32,800	7,400,000	9,593,123
Silicon carbide, crude:									
National stockpile	11,394,500	11,394,500		Short ton	64,697	64,697			
Supplemental—barter	26,802,700	26,802,700		do.	131,805	131,805			
Total	38,197,200	38,197,200		do.	196,502	196,502		100,000	96,502
Silk noils and waste:									
National stockpile	1,410,000	1,377,800	-23,200	Pound	1,087,321	1,072,583	-14,738	970,000	102,583
Silk, raw:									
National stockpile	486,600	486,600		do.	113,515	113,515		120,000	(4)
Sperm oil:									
National stockpile	4,775,400	4,775,400		do.	23,442,158	23,442,158		23,400,000	42,158
Talc, steatite block and lump:									
National stockpile	496,800	496,800		Short ton	1,274	1,274		300	974
Talc, steatite ground:									
National stockpile	231,200	231,200		do.	3,901	3,901		(5)	3,901
Tantalum:									
National stockpile	10,992,700	10,992,700		Pound	3,445,169	3,445,169			
Defense Production Act	9,734,400	9,734,400		do.	1,531,366	1,531,366			
Supplemental—barter	21,100	21,100		do.	8,036	8,036			
Total	20,748,200	20,748,200		do.	4,984,571	4,984,571		2,420,000	2,564,571
Thorium:									
Defense Production Act	42,000	42,000		do.	848,354	848,354			
Supplemental—barter	17,665,758	17,849,568	+183,810	do.	8,521,525	8,561,950	+40,425		
Total	17,707,758	17,891,568	+183,810	do.	9,369,879	9,410,304	+40,425	(5)	9,410,304
Tin:									
National stockpile	811,098,300	808,830,500	-2,267,800	Long ton	333,536	332,585	-951		
Supplemental—barter	16,404,000	16,404,000		do.	7,505	7,505			
Total	827,502,300	825,234,500	-2,267,800	do.	341,041	340,090	-951	200,000	140,090
Titanium:									
Defense Production Act	176,178,800	176,098,200	-80,600	Short ton	22,381	22,371	-10		
Supplemental—barter	32,097,700	32,097,700		do.	9,021	9,021			
Total	208,276,500	208,195,900	-80,600	do.	31,402	31,392	-10	(5)	31,392
Tungsten:									
National stockpile	369,127,300	369,127,300		Pound	120,071,339	120,071,339			
Defense Production Act	318,813,900	318,813,900		do.	78,186,563	78,186,563			
Supplemental—barter	18,651,400	18,651,400		do.	5,774,827	5,774,827			
Total	706,592,600	706,592,600		do.	204,032,729	204,032,729		50,000,000	154,032,729
Vanadium:									
National stockpile	31,567,900	31,567,900		do.	15,730,893	15,730,893		2,000,000	13,730,893
Vegetable tannin extract, chestnut:									
National stockpile	11,932,800	11,932,800		Long ton	42,770	42,770		30,000	12,770
Vegetable tannin extract, quebracho:									
National stockpile	49,169,700	49,169,700		do.	198,728	198,728		180,000	18,728
Vegetable tannin extract, wattle:									
National stockpile	9,826,900	9,826,900		do.	38,962	38,962		39,000	(4)
Zinc:									
National stockpile	364,345,400	364,345,400		Short ton	1,256,845	1,256,845			
Supplemental—barter	79,588,400	79,588,400		do.	323,896	323,896			
Total	443,933,800	443,933,800		do.	1,580,741	1,580,741		20	1,580,741
Zirconium ore, baddeleyite:									
National stockpile	710,600	710,600		Short dry ton	16,533	16,533		(5)	16,533
Zirconium ore, zircon:									
National stockpile	159,200	145,700	-13,500	Short dry ton	2,690	2,375	-315	(5)	2,375
Total:									
National stockpile	5,791,239,900	5,779,344,300	-11,895,600						
Defense Production Act	1,491,620,400	1,489,638,200	-1,982,200						
Supplemental—barter	1,847,267,417	1,850,137,038	+2,869,621						
Total, strategic and critical materials	8,630,127,717	8,619,119,538	-11,008,179						

¹ Maximum objectives for strategic and critical materials are determined pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 92-93b). The Office of Emergency Planning is currently in the process of revising stockpile objectives. (See app. B, p. 24417.)

² New objective. (See app. B, p. 24417.)

³ No present objective.

⁴ Not in excess of maximum objective.

Source: Compiled from reports submitted by the General Services Administration and the Department of Agriculture.

TABLE 2.—Agricultural commodities inventories, October 1963 (showing by commodity net changes during the month in terms of cost value and quantity)

Commodity	Cost value			Quantity			
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Unit of measure	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month
Price-support inventory:							
Basic commodities:							
Corn.....	\$986,849,082	\$1,062,905,007	+\$76,055,925	Bushel.....	802,646,840	864,198,219	+61,551,379
Cotton, extra-long staple.....	9,813,121	9,812,982	-139	Bale.....	37,073	37,072	-1
Cotton, upland.....	1,192,057,169	1,114,926,515	-77,130,654	do.....	7,216,630	6,748,869	-467,761
Peanuts, shelled.....	10,447,249	9,145,462	-1,301,787	Pound.....	60,801,536	52,999,073	-7,802,463
Rice, milled.....	389,704	213	-389,491	Hundredweight.....	39,877	22	-39,855
Rice, rough.....	9,534,842	9,208,545	-326,297	do.....	1,789,772	1,728,757	-61,015
Wheat.....	2,098,338,617	2,046,189,033	-52,149,584	Bushel.....	1,046,971,226	1,020,522,857	-26,448,369
Wheat, rolled.....	1,792	1,792	-	Pound.....	27,144	27,144	-
Bulgur.....	216,075	331,576	+115,502	do.....	3,983,612	6,219,330	+2,235,718
Total, basic commodities.....	4,307,647,651	4,252,521,125	-55,126,526				
Designated nonbasic commodities:							
Barley.....	43,064,761	40,036,811	-3,027,950	Bushel.....	49,724,492	45,704,692	-4,019,800
Grain sorghum.....	675,136,619	669,262,401	-5,874,218	do.....	612,122,821	606,065,089	-6,057,732
Milk and butterfat:							
Butter.....	187,751,083	156,600,699	-31,150,384	Pound.....	323,043,857	269,701,959	-53,341,898
Butter oil.....	77,239,345	84,951,969	+7,712,624	do.....	110,729,453	107,966,204	-2,763,249
Cheese.....	24,661,343	22,244,169	-2,417,174	do.....	65,283,365	58,877,267	-6,406,098
Ghee.....	1,187,530	1,082,494	-105,036	do.....	1,471,240	1,342,100	-129,140
Milk, dried.....	106,354,165	100,556,427	-5,797,738	do.....	722,289,144	683,146,150	-39,142,994
Oats.....	11,516,120	11,438,911	-77,209	Bushel.....	19,192,160	19,067,806	-124,354
Rye.....	1,517,824	1,223,150	-294,674	do.....	1,475,730	1,188,843	-286,887
Total, designated nonbasic commodities.....	1,138,428,790	1,087,397,031	-51,031,759				
Other nonbasic commodities:							
Beans, dry, edible.....	5,208,564	3,316,130	-1,892,434	Hundredweight.....	688,397	430,755	-257,642
Cottonseed oil, refined.....	828,060	623,665	-204,395	Pound.....	4,821,678	3,631,769	-1,189,909
Flaxseed.....	14,736,713	14,664,603	-72,110	Bushel.....	4,974,977	4,973,828	-1,149
Soybeans.....	3,847,833	1,721,124	-2,126,709	do.....	1,633,717	747,324	-906,393
Vegetable oil products.....	1,430,079	1,013,881	-416,198	Pound.....	8,926,685	6,351,220	-2,575,465
Total, other nonbasic commodities.....	26,051,269	21,339,403	-4,711,866				
Total, price support inventory.....	5,472,127,710	5,361,257,559	-110,870,151				
Inventory transferred from national stockpile:¹							
Cotton, Egyptian.....	102,528,200	102,084,670	-443,530	Bale.....	121,361	120,836	-525
Cotton, American-Egyptian.....	23,703,970	23,678,822	-25,148	do.....	47,128	47,078	-50
Total, inventory transferred from national stockpile.....	126,232,170	125,763,492	-468,678		168,589	167,914	-675
Total, agricultural commodities.....	5,598,359,880	5,487,021,051	-111,338,829				

¹ Transferred from General Services Administration pursuant to Public Law 85-96 and Public Law 87-548. (See app. A, p. 24416.)

Source: Compiled from reports submitted by the Department of Agriculture.

TABLE 3.—Civil defense supplies and equipment inventories, October 1963 (showing by item net changes during the month in terms of cost value and quantity)

Item	Cost value			Quantity			
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month	Unit of measure	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month
Civil defense stockpile, Department of Defense:							
Engineering equipment (engine generators, pumps, chlorinators, purifiers, pipe, and fittings).....	\$10,019,104	\$10,100,049	+\$80,945	10-mile units.....	45	45	-
Chemical and biological equipment.....	1,799,183	1,799,758	+575	(1).....			
Total.....	11,818,287	11,899,807	+81,520				
Civil defense medical stockpile, Department of Health, Education, and Welfare:							
Medical bulk stocks, and associated items at civil defense mobilization warehouses.....	137,835,586	138,544,462	+708,876	(1).....			
Medical bulk stock at manufacturer locations.....	5,326,895	5,327,314	+419	(1).....			
Civil defense emergency hospitals.....	37,255,680	37,181,646	-74,034	Each.....	1,930	1,930	-
Replenishment units (functional assemblies other than hospitals).....	469,716	443,620	-26,096	(1).....			
Supply additions (for civil defense emergency hospitals).....	10,578,304	10,924,416	+346,112	(1).....			
Total.....	191,466,181	192,421,458	+955,277				
Total, civil defense supplies and equipment.....	203,284,468	204,321,265	+1,036,797				

¹ Composite group of many different items.

Source: Compiled from reports submitted by the Department of Defense and the Department of Health, Education, and Welfare.

TABLE 4.—Machine tools inventories, October 1963 (showing by item net changes during the month in terms of cost value and quantity)

Item	Cost value			Unit of measure	Quantity		
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month
Defense Production Act:							
In storage.....	\$21,400	\$21,400		Tool.....	7	7	
On lease.....	2,144,300	2,144,300		do.....	103	103	
On loan.....	42,900	42,900		do.....	7	7	
Total.....	2,208,600	2,208,600		do.....	117	117	
National Industrial Reserve Act:							
In storage.....	79,645,200	78,241,300	-\$1,403,900	do.....	7,238	6,993	-245
On lease.....	27,500	27,500		do.....	1	1	
On loan to other agencies.....	2,150,200	2,617,000	+466,800	do.....	225	279	+54
On loan to school programs.....	7,974,400	8,859,200	+884,800	do.....	1,917	2,099	+182
Total.....	89,797,300	89,745,000	-52,300	do.....	9,381	9,372	-9
Total, machine tools.....	92,005,900	91,953,600	-52,300	do.....	9,498	9,489	-9

Source: Compiled from reports submitted by the General Services Administration.

TABLE 5.—Helium inventories, October 1963 (showing by item net changes during the month in terms of cost value and quantity)

Item	Cost value			Unit of measure	Quantity		
	Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month		Beginning of month, Oct. 1, 1963	End of month, Oct. 31, 1963	Net change during month
Helium:							
Stored aboveground.....	\$318,139	\$247,979	-\$70,160	Cubic foot.....	28,000,000	21,300,000	-6,700,000
Stored underground.....	13,078,182	15,221,945	+2,143,763	do.....	1,399,000,000	1,598,900,000	+199,900,000
Total, helium.....	13,396,321	15,469,924	+2,073,603	do.....	1,427,000,000	1,620,200,000	+193,200,000

Source: Compiled from reports submitted by the Department of the Interior.

APPENDIX A

PROGRAM DESCRIPTIONS AND STATUTORY CITATIONS

Strategic and critical materials

National Stockpile

The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) provides for the establishment and maintenance of a national stockpile of strategic and critical materials. The General Services Administration is responsible for making purchases of strategic and critical materials and providing for their storage, security, and maintenance. These functions are performed in accordance with directives issued by the Director of the Office of Emergency Planning. The act also provides for the transfer from other Government agencies of strategic and critical materials which are excess to the needs of such other agencies and are required to meet the stockpile objectives established by OEP. In addition, the General Services Administration is responsible for disposing of those strategic and critical materials which OEP determines to be no longer needed for stockpile purposes.

General policies for strategic and critical materials stockpiling are contained in DMO V-7, issued by the Director of the Office of Emergency Planning and published in the Federal Register of December 19, 1959 (24 F.R. 10309). Portions of this order relate also to Defense Production Act inventories.

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration is authorized to make purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale, in order to expand productive capacity and supply, and also to store the materials acquired as a result of such purchases or commitments. Such functions are carried out in accordance with programs certified by the Director of the Office of Emergency Planning.

Supplemental—Barter

As a result of a delegation of authority from OEP (32A C.F.R., ch. I, DMO V-4) the

General Services Administration is responsible for the maintenance and storage of materials placed in the supplemental stockpile. Section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856) provides that strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)). In addition to the materials which have been or may be so acquired, the materials obtained under the programs established pursuant to the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (50 U.S.C. App. 2191-2195), which terminated December 31, 1958, have been transferred to the supplemental stockpile, as authorized by the provisions of said Production and Purchase Act.

Agricultural commodities

The Price-Support Program

Price-support operations are carried out under the charter powers (15 U.S.C. 714) of the Commodity Credit Corporation, Department of Agriculture, in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National

Wool Act of 1954, through the marketing year ending March 31, 1966. Price support for other nonbasic agricultural commodities is discretionary except that, whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

The major effect on budgetary expenditures is represented by the disbursements for price-support loans. The largest part of the commodity acquisitions under the program results from the forfeiting of commodities pledged as loan collateral for which the expenditures occurred at the time of making the loans, rather than at the time of acquiring the commodities.

Dispositions of commodities acquired by the Corporation in its price-support operations are made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1891), title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat

flour, and the act of September 21, 1959, with regard to sales of livestock feed in emergency areas.

Inventory Transferred From National Stockpile

This inventory, all cotton, was transferred to Commodity Credit Corporation at no cost from the national stockpile pursuant to Public Law 85-96 and Public Law 87-548. The proceeds from sales, less costs incurred by CCC, are covered into the Treasury as miscellaneous receipts; therefore, such proceeds and costs are not recorded in the operating accounts. The cost value as shown for this cotton has been computed on the basis of average per bale cost of each type of cotton when purchased by CCC for the national stockpile.

Civil defense supplies and equipment

Civil Defense Stockpile

The Department of Defense conducts this stockpiling program pursuant to section 201(h) of Public Law 920, 81st Congress, as amended. The program is designed to provide some of the most essential materials to minimize the effects upon the civilian population which would be caused by an attack upon the United States. Supplies and equipment normally unavailable, or lacking in quantity needed to cope with such conditions, are stockpiled at strategic locations in a nationwide warehouse system consisting of general storage facilities.

Civil Defense Medical Stockpile

The Department of Health, Education, and Welfare conducts the stockpiling program for medical supplies and equipment pursuant to section 201(h) of Public Law 920, 81st Congress, as delegated by the President following the intent of Reorganization Plan No. 1 of 1958. The Department of Health, Education, and Welfare plans and directs the procurement, storage, maintenance, inspection, survey, distribution, and utilization of essential supplies and equipment for emergency health services. The medical stockpile includes a program designed to pre-position assembled emergency hospitals and other medical supplies and equipment into communities throughout the Nation.

Machine tools

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration has acquired machine tools in furtherance of expansion of productive capacity, in accordance with programs certified by the Director of the Office of Emergency Planning.

National Industrial Equipment Reserve

Under general policies established and directives issued by the Secretary of Defense, the General Services Administration is responsible for care, maintenance, utilization, transfer, leasing, lending to nonprofit schools, disposal, transportation, repair, restoration, and renovation of national industrial reserve equipment transferred to GSA under the National Industrial Reserve Act of 1948 (50 U.S.C. 451-462).

Helium

The helium conservation program is conducted by the Department of the Interior pursuant to the Helium Act, approved September 13, 1960 (Public Law 86-777; 74 Stat. 918; 50 U.S.C. 167), and subsequent appropriations acts which have established fiscal limitations and provided borrowing authority for the program. Among other things, the Helium Act authorizes the Secretary of the Interior to produce helium in Government plants, to acquire helium from private plants, to sell helium to meet current demands, and to store for future use helium that is so produced or acquired in excess of that required to meet current demands.

Sales of helium by the Secretary of the Interior shall be at prices established by him which shall be adequate to liquidate the costs of the program within 25 years, except that this period may be extended by the Secretary for not more than 10 years for funds borrowed for purposes other than the acquisition and construction of helium plants and facilities.

This report covers helium that is produced in Government plants and acquired from private plants. Helium in excess of current demands is stored in the Cliffside gasfield near Amarillo, Tex. The unit of measure is cubic foot at 14.7 pounds per square inch absolute pressure and 70° F.

APPENDIX B

NEW STOCKPILE OBJECTIVES

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. Table I of this report reflects the new objectives for 12 materials: aluminum, castor oil, chromite (metallurgical grade), copper, feathers and down, lead, mercury, nickel, opium, sperm oil, tin, and zinc.

The following excerpts from OEP statements dated July 11 and 19, 1963, set forth the new policy with respect to objectives for strategic and critical materials:

"The Office of Emergency Planning is now conducting supply-requirements studies for all stockpile materials which will reflect current military, industrial, and other essential needs in the event of a conventional war emergency. On the basis of recently completed supply-requirements studies for the foregoing materials, the new stockpile objectives were established with the advice and assistance of the Interdepartmental Materials Advisory Committee, a group chaired by the Office of Emergency Planning and composed of representatives of the Departments of State, Defense, the Interior, Agriculture, Commerce, and Labor, and the General Services Administration, the Agency for International Development, and the National Aeronautics and Space Administration. Representatives of the Bureau of the Budget, the Atomic Energy Commission, and the Small Business Administration participate as observers.

"These new objectives reflect a new policy to establish a single objective for each stockpile material. They have been determined on the basis of criteria heretofore used in establishing maximum objectives, and reflect the approximate calculated emergency deficits for the materials for conventional war and do not have any arbitrary adjustments for possible increased requirements for other types of emergency.

"Heretofore, there was a 'basic objective' and a 'maximum objective' for each material. The basic objectives assumed some continued reliance on foreign sources of supply in an emergency. The former maximum objectives completely discounted foreign sources of supply beyond North America and comparable accessible areas.

"Previously, maximum objectives could not be less than 6 months' normal usage of the material by industry in the United States in periods of active demand. The 6-month rule has been eliminated in establishing the new calculated conventional war objectives.

"The Office of Emergency Planning also announced that the present Defense Mobilization Order V-7, dealing with general policies for strategic and critical materials stockpiling, was now being revised to reflect these new policies. When finally prepared and approved, the new order will be published in the Federal Register.

"New conventional war objectives for the remaining stockpile materials are being developed as rapidly as new supply-requirements data become available. They will be released as they are approved.

"The Office of Emergency Planning is also making studies to determine stockpile needs to meet the requirements of general nuclear war and reconstruction. Stockpile objectives for nuclear war have not previously been developed. Some commodity objectives may be higher and others may be lower than the objectives established for conventional war.

"After the nuclear war supply-requirements studies are completed, stockpile objectives will be based upon calculated deficits for either conventional war or nuclear war, whichever need is larger.

"The Office of Emergency Planning stressed that any long-range disposal programs undertaken prior to the development of objectives based on nuclear war assumptions would provide against disposing of quantities which might be needed to meet essential requirements in the event of nuclear attack. While the disposal of surplus materials can produce many problems which have not heretofore arisen, every effort will be made to see that the interests of producers, processors, and consumers, and the international interests of the United States are carefully considered, both in the development and carrying out of disposal programs. Before decisions are made regarding the adoption of a long-range disposal program for a particular item in the stockpile, there will be appropriate consultations with industry in order to obtain the advice of interested parties."

STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost value of Federal stockpile inventories as of October 31, 1963, totaled \$14,417,885,378. This was a net decrease of \$119,288,908 as compared with the October 1 total of \$14,537,174,286.

Net changes during the month are summarized by major category as follows:

Major category	Cost value, October 1963	
	Net change during month	Total, end of month
Strategic and critical materials	-\$11,008,179	\$8,619,119,538
Agricultural commodities	-111,338,829	5,487,021,051
Civil defense supplies and equipment	+1,036,797	204,321,265
Machine tools	-52,300	91,953,600
Helium	+2,073,603	15,469,924
Total	-119,288,908	14,417,885,378

These figures are from the October 1963 report on Federal stockpile inventories compiled from official agency data by the Joint Committee on Reduction of Nonessential Federal Expenditures, showing detail with respect to quantity and cost value of each commodity in the inventories covered.

STRATEGIC AND CRITICAL MATERIALS

So-called strategic and critical materials are stored by the Government in (1) the national stockpile, (2) the Defense Production Act inventory and (3) the supplemental barter stockpile.

Overall, there are now 94 materials stockpiled in the strategic and critical inventories. Maximum objectives—in terms of volume—are presently fixed for 76 of these 94 materials. Of the 76 materials having maximum objectives, 61 were stockpiled in excess of their objectives as of October 31, 1963.

Increases in cost value were reported in 16 of the materials stockpiled in all strategic and critical inventories, decreases were reported in 21 materials, and 57 materials remained unchanged during October.

National stockpile

The cost value of materials in the national stockpile as of October 31, 1963, totaled \$5,779,344,300. This was a net decrease of \$11,895,600 during the month. The largest de-

creases were \$6,611,700 in rubber, \$2,267,800 in tin, and \$1,389,300 in coconut oil.

Defense Production Act inventory

The cost value of materials in the Defense Production Act inventory as of October 31, 1963, totaled \$1,489,638,200. This was a net decrease of \$1,982,200. The larger decreases were in aluminum, copper, and nickel.

Supplemental barter

The cost value of materials in the supplemental barter stockpile as of October 31, 1963, totaled \$1,350,137,038. This was a net increase of \$2,869,621. The largest increases were in manganese and beryllium metal.

OTHER STOCKPILE INVENTORIES

Among the other categories of stockpiled materials covered by the report, the largest is \$5.5 billion in agricultural commodities.

Major decreases in agricultural commodities during October were reported for cotton, wheat, and milk and butterfat, partially offset by an increase in corn.

Inventories of civil defense supplies and equipment showed increases in medical stocks; the machine tools inventories showed a net decrease; and the helium inventories showed an increase during October.

employment and pay for the month of November 1963. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, NOVEMBER 1963 AND OCTOBER 1963, AND PAY, OCTOBER 1963 AND SEPTEMBER 1963

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for November 1963 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In November numbered—	In October numbered—	Increase (+) or decrease (—)	In October was—	In September was—	Increase (+) or decrease (—)
Total ¹	2,493,168	2,494,175	-1,007	\$1,393,377	\$1,276,294	+\$117,083
Agencies exclusive of Department of Defense	1,449,137	1,448,768	+369	806,444	735,074	+71,370
Department of Defense	1,044,031	1,045,407	-1,376	586,933	541,220	+45,713
Inside the United States	2,324,442	2,325,412	-970			
Outside the United States	168,726	168,763	-37			
Industrial employment	558,706	559,633	-927			
Foreign nationals	159,639	159,942	-303	28,143	28,371	-228

¹ Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during November 1963, and comparison with October 1963, and pay for October 1963, and comparison with September 1963

Department or agency	Personnel				Pay (in thousands)			
	November	October	Increase	Decrease	October	September	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	104,356	107,453		3,097	\$57,316	\$53,199	\$4,117	
Commerce	31,066	31,069		3	20,768	19,279	1,479	
Health, Education, and Welfare	81,945	81,682	263		45,574	43,874	1,700	
Interior	69,029	69,613		584	40,212	37,108	3,104	
Justice	31,866	31,886		20	22,479	20,681	1,848	
Labor	9,177	9,471		294	6,235	5,607	588	
Post Office	594,805	590,042	4,763		307,040	271,459	35,581	
State	42,526	42,520	6		23,309	21,848	1,466	
Treasury	85,127	85,415		288	53,994	48,942	5,052	
Executive Office of the President:								
White House Office	365	371		6	272	258	14	
Bureau of the Budget	485	485			462	421	41	
Council of Economic Advisers	44	56		12	42	39	3	
Executive Mansion and Grounds	74	73	1		36	44		\$8
National Aeronautics and Space Council	29	29			28	26	2	
National Security Council	44	43	1		38	34	4	
Office of Emergency Planning	440	440			397	370	27	
Office of Science and Technology	58	87		29	41	45		4
Office of the Special Representative for Trade Negotiations	28	28			27	23	4	
President's Commission on Registration and Voting Participation	7	15		8	8	5	3	
President's Committee on Equal Opportunity in Housing	5	4	1		4	4		
Independent agencies:								
Advisory Commission on Intergovernmental Relations	25	25			23	21	2	
American Battle Monuments Commission	418	421		3	97	80	17	
Atomic Energy Commission	7,241	7,249		8	5,843	5,347	496	
Board of Governors of the Federal Reserve System	621	622		1	438	398	40	
Civil Aeronautics Board	855	860		5	700	641	59	
Civil Service Commission	4,035	4,041		6	2,657	2,474	183	
Civil War Centennial Commission	5	5			4	4		
Commission of Fine Arts	6	6			6	5	1	
Commission on Civil Rights	58	64		6	47	49		2
Delaware River Basin Commission	2	2			3	2	1	
Export-Import Bank of Washington	294	294			200	209		9
Farm Credit Administration	243	241	2		190	171	19	
Federal Aviation Agency	45,667	45,820		153	34,141	32,064	2,057	
Federal Coal Mine Safety Board of Review	7	7			5	4	1	
Federal Communications Commission	1,462	1,459	3		1,105	1,002	103	
Federal Deposit Insurance Corporation	1,253	1,266		13	892	844	48	
Federal Home Loan Bank Board	1,252	1,232	20		906	832	74	
Federal Maritime Commission	243	242	1		189	179	10	
Federal Mediation and Conciliation Service	402	405		3	377	338	39	
Federal Power Commission	1,143	1,149		6	870	800	70	
Federal Radiation Council	4	4			4	(¹)	4	
Federal Trade Commission	1,144	1,150		6	877	800	77	
Foreign Claims Settlement Commission	153	149	4		87	78	9	
General Accounting Office	4,454	4,480		26	3,174	2,920	254	
General Services Administration	33,206	33,270		64	17,504	16,091	1,413	
Government Printing Office	7,314	7,291	23		4,704	4,247	457	

TABLE I.—Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during November 1963, and comparison with October 1963, and pay for October 1963, and comparison with September 1963—Continued

Department or agency	Personnel				Pay (in thousands)			
	November	October	Increase	Decrease	October	September	Increase	Decrease
Independent agencies—Continued								
Housing and Home Finance Agency.....	14,055	14,107		52	\$9,337	\$8,604	\$733	
Indian Claims Commission.....	21	21			21	21		
Interstate Commerce Commission.....	2,408	2,408			1,792	1,638	154	
National Aeronautics and Space Administration.....	30,033	29,971	62		24,139	22,924	1,215	
National Capital Housing Authority.....	449	443	6		219	199	20	
National Capital Planning Commission.....	59	60		1	51	44	7	
National Capital Transportation Agency.....	64	63	1		53	52	1	
National Gallery of Art.....	314	313	1		148	138	10	
National Labor Relations Board.....	1,972	1,980		8	1,504	1,377	127	
National Mediation Board.....	139	143		4	124	102	22	
National Science Foundation.....	1,074	1,026	48		730	660	70	
Panama Canal.....	15,085	15,123		38	5,345	5,313	32	
President's Committee on Equal Employment Opportunity.....	56	57		1	38	38		
Railroad Retirement Board.....	1,912	1,928		16	1,165	1,059	106	
Renegotiation Board.....	215	217		2	194	175	19	
St. Lawrence Seaway Development Corporation.....	160	164		4	108	103	5	
Securities and Exchange Commission.....	1,365	1,368		1	1,010	920	90	
Selective Service System.....	6,944	6,910	34		2,366	2,154	212	
Small Business Administration.....	3,381	3,410		29	2,361	2,152	209	
Smithsonian Institution.....	1,522	1,507	15		828	765	63	
Soldiers' Home.....	1,082	1,083		1	378	356	22	
South Carolina, Georgia, Alabama, and Florida Water Study Commission.....	10	10			3	6		\$3
Subversive Activities Control Board.....	26	25	1		21	20	1	
Tariff Commission.....	275	276		1	208	197	11	
Tax Court of the United States.....	154	154			139	132	7	
Tennessee Valley Authority.....	16,998	17,266		268	11,420	10,599	821	
U.S. Arms Control and Disarmament Agency.....	163	165		2	151	116	35	
U.S. Information Agency.....	12,018	12,005	13		5,740	5,343	397	
Veterans' Administration.....	173,688	173,518	170		83,366	76,779	6,587	
Virgin Islands Corporation.....	612	613		1	150	167		17
Total, excluding Department of Defense.....	1,449,137	1,448,768	5,439	5,070	806,444	735,074	71,413	43
Net increase, excluding Department of Defense.....			369				71,370	
Department of Defense:								
Office of the Secretary of Defense.....	2,083	2,152		69	1,855	2,010		155
Department of the Army.....	373,019	374,252		1,233	202,085	187,744	14,371	
Department of the Navy.....	338,863	339,996		1,133	201,077	184,638	16,439	
Department of the Air Force.....	298,254	297,579	675		164,440	150,870	13,570	
Defense Atomic Support Agency.....	1,974	1,983		9	1,074	979	95	
Defense Communications Agency.....	674	682		22	450	380	70	
Defense Supply Agency.....	25,864	25,818	346		13,713	12,589	1,124	
Office of Civil Defense.....	1,057	1,057			929	861	68	
U.S. Court of Military Appeals.....	40	39	1		36	33	3	
Interdepartmental activities.....	12	13		1	8	7	1	
International military activities.....	62	61	1		46	41	5	
Armed Forces Information and Education activities.....	427	427			225	205	20	
Classified activities.....	1,702	1,678	24		995	893	102	
Total, Department of Defense.....	1,044,031	1,045,407	1,069	2,445	586,933	541,220	45,868	155
Net change, Department of Defense.....			1,376				45,713	
Grand total, including Department of Defense * ..	2,493,168	2,494,175	6,508	7,515	1,393,377	1,276,294	117,281	198
Net change, including Department of Defense.....			1,007				117,063	

* November figure includes 17,007 employees of the Agency for International Development as compared with 17,012 in October and their pay. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The November figure includes 4,654 of these trust fund employees and the October figure includes 4,674.

* November figure includes 1,034 employees of the Peace Corps as compared with 1,034 in October and their pay.

* Revised on basis of later information.

* Less than \$500.

* Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

* Includes employment by Federal agencies under the Public Works Acceleration Act (Public Law 87-658) as follows:

Agency	November	October	Change
Agriculture Department.....	4,546	4,843	-297
Interior Department.....	6,107	5,553	+554
Tennessee Valley Authority.....	43	52	-9
Total.....	10,696	10,448	+248

TABLE II.—Federal personnel inside the United States employed by the executive agencies during November 1963, and comparison with October 1963

Department or agency	November	October	Increase	Decrease	Department or agency	November	October	Increase	Decrease
Executive departments (except Department of Defense):					Executive Office of the President—Con.				
Agriculture.....	103,003	106,103		3,100	National Aeronautics and Space Council.....	29	29		
Commerce.....	30,402	30,408		6	National Security Council.....	44	43	1	
Health, Education, and Welfare.....	81,300	81,030	270		Office of Emergency Planning.....	440	440		
Interior.....	68,420	69,018		598	Office of Science and Technology.....	58	57		29
Justice.....	31,506	31,528		22	Office of the Special Representative for Trade Negotiations.....	28	28		
Labor.....	9,093	9,353		260	President's Commission on Registration and Voting Participation.....	7	15		8
Post Office.....	593,281	588,534	4,747		President's Committee on Equal Opportunity in Housing.....	5	4	1	
State.....	10,685	10,677	18		Independent agencies:				
Treasury.....	84,503	84,796		293	Advisory Commission on Intergovernmental Relations.....	25	25		
Executive Office of the President:									
White House Office.....	365	371		6					
Bureau of the Budget.....	465	485		12					
Council of Economic Advisers.....	44	56							
Executive Mansion and Grounds.....	74	73	1						

See footnotes at end of table.

TABLE II.—Federal personnel inside the United States employed by the executive agencies during November 1963, and comparison with October 1963—Continued

Department or agency	November	October	Increase	Decrease	Department or agency	November	October	Increase	Decrease
Independent agencies—Continued					Independent agencies—Continued				
American Battle Monuments Commission	7	7			Renegotiation Board	215	217		2
Atomic Energy Commission	7,209	7,217		8	St. Lawrence Seaway Development Corporation	160	164		4
Board of Governors of the Federal Reserve System	621	622		1	Securities and Exchange Commission	1,365	1,366		1
Civil Aeronautics Board	855	859		4	Selective Service System	6,794	6,761	33	
Civil Service Commission	4,031	4,037		6	Small Business Administration	3,324	3,351		27
Civil War Centennial Commission	5	5			Smithsonian Institution	1,505	1,490	15	
Commission of Fine Arts	6	6			Soldiers' Home	1,082	1,083		1
Commission on Civil Rights	58	64		6	South Carolina, Georgia, Alabama, and Florida Water Study Commission	10	10		
Delaware River Basin Commission	2	2			Subversive Activities Control Board	26	25	1	
Export-Import Bank of Washington	294	294			Tariff Commission	275	276		1
Farm Credit Administration	243	241	2		Tax Court of the United States	154	154		
Federal Aviation Agency	44,607	44,761		154	Tennessee Valley Authority	16,997	17,265		268
Federal Coal Mine Safety Board of Review	7	7			U.S. Arms Control and Disarmament Agency	163	165		2
Federal Communications Commission	1,460	1,457	3		U.S. Information Agency	3,409	3,396	13	
Federal Deposit Insurance Corporation	1,251	1,264		13	Veterans' Administration	172,683	172,513	170	
Federal Home Loan Bank Board	1,252	1,232	20		Total, excluding Department of Defense	1,384,253	1,383,836	5,443	5,020
Federal Maritime Commission	243	242	1		Net increase, excluding Department of Defense			417	
Federal Mediation and Conciliation Service	402	405		3	Department of Defense:				
Federal Power Commission	1,143	1,149		6	Office of the Secretary of Defense	2,032	2,101		69
Federal Radiation Council	4	4			Department of the Army	321,545	322,843		1,298
Federal Trade Commission	1,144	1,150		6	Department of the Navy	314,287	315,299		1,012
Foreign Claims Settlement Commission	114	109	5		Department of the Air Force	270,570	269,962	608	
General Accounting Office	4,371	4,393		22	Defense Atomic Support Agency	1,974	1,888		9
General Services Administration	33,131	33,246		65	Defense Communications Agency	641	619	22	
Government Printing Office	7,314	7,291	23		Defense Supply Agency	25,864	25,518	346	
Housing and Home Finance Agency	13,861	13,914		53	Office of Civil Defense	1,057	1,037		1
Indian Claims Commission	21	21			U.S. Court of Military Appeals	40	39	1	
Interstate Commerce Commission	2,408	2,408			Interdepartmental activities	12	13		1
National Aeronautics and Space Administration	30,019	29,956	63		International military activities	38	37	1	
National Capital Housing Authority	449	443	6		Armed Forces information and education activities	427	427		
National Capital Planning Commission	59	60		1	Classified activities	1,702	1,678	24	
National Capital Transportation Agency	64	63	1		Total, Department of Defense	940,189	941,576	1,002	2,389
National Gallery of Art	314	313	1		Net decrease, Department of Defense			1,387	
National Labor Relations Board	1,939	1,947		8	Grand total, including Department of Defense	2,324,442	2,325,412	6,445	7,415
National Mediation Board	139	143		4	Net decrease, including Department of Defense			970	
National Science Foundation	1,061	1,013	48						
Panama Canal	158	167		9					
President's Committee on Equal Employment Opportunity	56	57		1					
Railroad Retirement Board	1,912	1,928		16					

¹ November figure includes 2,879 employees of the Agency for International Development as compared with 2,837 in October.

¹ November figure includes 662 employees of the Peace Corps as compared with 660 in October.

² Revised on basis of later information.

TABLE III.—Federal personnel outside the United States employed by the executive agencies during November 1963, and comparison with October 1963

Department or agency	November	October	Increase	Decrease	Department or agency	November	October	Increase	Decrease
Executive departments (except Department of Defense):					Independent agencies—Continued				
Agriculture	1,353	1,350	3		Panama Canal	14,927	14,966		29
Commerce	664	661	3		Selective Service System	150	149	1	
Health, Education, and Welfare	645	652		7	Small Business Administration	57	59		2
Interior	609	595	14		Smithsonian Institution	17	17		
Justice	360	358	2		Tennessee Valley Authority	1	1		
Labor	84	118		34	U.S. Information Agency	8,609	8,609		
Post Office	1,524	1,508	16		Veterans' Administration	1,005	1,005		
State	31,831	31,843		12	Virgin Islands Corporation	512	513		1
Treasury	624	619	5		Total, excluding Department of Defense	64,884	64,932	47	9
Independent agencies:					Net decrease, excluding Department of Defense			48	5
American Battle Monuments Commission	411	414		3	Department of Defense:				
Atomic Energy Commission	32	32			Office of the Secretary of Defense	51	51		
Civil Aeronautics Board	4	4			Department of the Army	51,474	51,409	65	
Civil Service Commission	1,060	1,059	1		Department of the Navy	24,576	24,697		121
Federal Aviation Agency	2	2			Department of the Air Force	27,684	27,617	67	
Federal Communications Commission	2	2			Defense Communications Agency	33	33		
Federal Deposit Insurance Corporation	2	2			International military activities	24	24		
Foreign Claims Settlement Commission	39	40		1	Total, Department of Defense	103,842	103,831	132	121
General Accounting Office	83	87		4	Net increase, Department of Defense			11	
General Services Administration	25	24	1		Grand total, including Department of Defense	168,726	168,763	179	216
Housing and Home Finance Agency	194	193	1		Net decrease, including Department of Defense			37	
National Aeronautics and Space Administration	14	15		1					
National Labor Relations Board	33	33							
National Science Foundation	13	13							

¹ November figure includes 14,128 employees of the Agency for International Development as compared with 14,175 in October. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The November figure includes 4,654 of these trust fund employees and the October figure includes 4,674.

¹ November figure includes 372 employees of the Peace Corps as compared with 374 in October.

² Revised on basis of later information.

TABLE IV.—Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during November 1963, and comparison with October 1963

Department or agency	November	October	Increase	Decrease	Department or agency	November	October	Increase	Decrease
Executive departments (except Department of Defense):					Department of Defense:				
Agriculture.....	3,890	3,850	40		Department of the Army:				
Commerce.....	5,565	5,613		48	Inside the United States.....	138,450	139,009		559
Interior.....	7,737	8,900		63	Outside the United States.....	14,609	14,604	5	
Post Office.....	263	260	3		Department of the Navy:				
Treasury.....	5,279	5,327		48	Inside the United States.....	194,176	194,758		582
Independent agencies:					Outside the United States.....	1,275	1,277		2
Atomic Energy Commission.....	263	261	2		Department of the Air Force:				
Federal Aviation Agency.....	2,923	2,940		17	Inside the United States.....	129,392	128,815	577	
General Services Administration.....	1,794	1,733	61		Outside the United States.....	1,026	1,065		39
Government Printing Office.....	7,314	7,291	23		Defense Supply Agency: Inside the				
National Aeronautics and Space Administration.....	30,033	29,971	62		United States.....	1,735	1,755		20
Panama Canal.....	7,517	7,554		37	Total, Department of Defense.....	470,663	471,283	582	1,202
St. Lawrence Seaway Development Corporation.....	159	162		3	Net decrease, Department of Defense.....			620	
Tennessee Valley Authority.....	13,794	14,075		281	Grand total, including Department of Defense.....	558,706	559,633	773	1,700
Virgin Islands Corporation.....	512	513		1	Net decrease, including Department of Defense.....			927	
Total, excluding Department of Defense.....	88,043	88,350	191	498					
Net decrease, excluding Department of Defense.....			307						

¹ Subject to revision.² Revised on basis of later information.

TABLE V.—Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of November 1963 and comparison with October 1963

Country	Total		Army		Navy		Air Force	
	November	October	November	October	November	October	November	October
Canada.....	11	24					11	24
Crete.....	82	82					82	82
England.....	2,878	2,883			121	120	2,757	2,763
France.....	20,651	20,843	16,889	17,061	11	11	3,751	3,771
Germany.....	78,021	77,691	65,897	65,707	83	84	12,041	11,900
Greece.....	259	259					259	259
Japan.....	49,722	50,036	17,247	17,481	14,311	14,367	18,164	18,188
Korea.....	6,203	6,210	6,203	6,210				
Morocco.....	1,205	1,309			730	732	475	577
Netherlands.....	54	56					54	56
Trinidad.....	553	549			553	549		
Total.....	159,639	159,942	106,236	106,459	15,809	15,863	37,594	37,620

¹ Revised on basis of later information.

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of November totaling 2,493,168, compared with 2,494,175 in October. This was a net decrease of 1,007, including a net increase of 248 in temporary employment under the public works acceleration program authorized by Public Law 87-658.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1964, which began July 1, 1963, follows:

Month	Employment	Increase	Decrease
July.....	2,518,858	9,149	
August.....	2,515,033		3,824
September.....	2,492,170		22,863
October.....	2,494,175	2,005	
November.....	2,493,168		1,007

Total Federal employment in civilian agencies for the month of November was 1,449,137, an increase of 369 as compared with the October total of 1,448,768. Total civilian employment in the military agencies in November was 1,044,031, a decrease of 1,376 as compared with 1,045,407 in October.

The civilian agency reporting the largest increase was Post Office Department with 4,763. The larger decreases were in Agriculture Department with 3,097 and Interior Department with 584.

In the Department of Defense the largest decreases in civilian employment were reported by the Department of the Army with 1,233 and the Department of the Navy with

1,133. The Department of the Air Force reported the largest increase with 675.

Inside the United States civilian employment decreased 970 and outside the United States employment decreased 37. Industrial employment by Federal agencies in November totaled 558,706, a decrease of 927.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,493,168 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 159,639 foreign nationals working for U.S. agencies overseas during November who were not counted in the usual personnel reports. The number in October was 159,942. A breakdown of this employment for November follows:

Country	Total	Army	Navy	Air Force
Canada.....	11			11
Crete.....	82			82
England.....	2,878		121	2,757
France.....	20,651	16,889	11	3,751
Germany.....	78,021	65,897	83	12,041
Greece.....	259			259
Japan.....	49,722	17,247	14,311	18,164
Korea.....	6,203	6,203		
Morocco.....	1,205		730	475
Netherlands.....	54			54
Trinidad.....	553		553	
Total.....	159,639	106,236	15,809	37,594

BILLS INTRODUCED

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

By Mr. METCALF:

S. 2415. A bill for the relief of Manuel J. Vicent; to the Committee on the Judiciary.

By Mr. MILLER:

S. 2416. A bill to amend section 703 of title 18 of the United States Code to provide criminal penalties for manufacturing, selling, offering to sell, or advertising for sale, certain official decorations, medals, or badges of a friendly nation with knowledge, or reasonable grounds for believing, that the same will be used in the United States with intent to deceive or mislead, and for other purposes; to the Committee on the Judiciary.

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

RESOLUTIONS

TO PRINT AS A SENATE DOCUMENT THE SECOND ANNUAL REPORT TO THE CONGRESS ON THE "IMPLEMENTATION OF THE HUMPHREY AMENDMENT"

Mr. HUMPHREY submitted the following resolution (S. Res. 240); which was referred to the Committee on Rules and Administration:

Resolved, That there shall be printed as a Senate document the Second Annual Report

to the Congress on the "Implementation of the Humphrey Amendment," prepared by the Agency for International Development, Fiscal Year 1963, and that an additional five-thousand copies be printed for use by the Committee on Foreign Relations.

APPOINTMENT OF COMMITTEE TO NOTIFY THE PRESIDENT CONCERNING THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. MANSFIELD submitted a resolution (S. Res. 241) appointing a committee to notify the President concerning the proposed adjournment of the session, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

EXPRESSION OF THANKS TO THE PRESIDENT PRO TEMPORE OF THE SENATE

Mr. MANSFIELD submitted a resolution (S. Res. 242) tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

EXPRESSION OF THANKS TO THE ACTING PRESIDENT PRO TEMPORE OF THE SENATE

Mr. MANSFIELD submitted a resolution (S. Res. 243) tendering the thanks of the Senate to the Acting President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE AFTER SINE DIE ADJOURNMENT

Mr. MANSFIELD submitted a resolution (S. Res. 244) authorizing the President pro tempore to make certain appointments after the sine die adjournment of the present session, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

AMENDMENT OF UNITED STATES CODE RELATING TO ILLEGAL WEARING OF CERTAIN MEDALS

Mr. MILLER. Mr. President, several weeks ago, I received a letter from one of my constituents voicing a justified complaint. The writer's husband, while serving in the U.S. Air Force, had been

awarded the French Croix de Guerre. Naturally, this woman was proud of her husband for having earned such a distinguished award. However, to their dismay they learned that anyone, even a draft dodger, could obtain an identical medal by simply sending \$1 to a company in New York. I ask unanimous consent at this point in my remarks to have printed in the RECORD a letter from Mrs. R. C. Groom.

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

IRETON, IOWA,
October 14, 1963.

HON. JACK MILLER,
U.S. Senate,
Washington, D.C.

DEAR SIR: I have a complaint to make which will probably seem very small when compared to the many important affairs of our country. However, if you receive any other letters along similar lines such as this, I would like to have you add this as a "protest."

In last Sunday's Des Moines Register there appeared an advertisement by Alexander Sales, Department 36, 140 Marbledale Road, Tuckahoe, N.Y. It was urging people to start a collection of famous military medals "authentic reproductions."

My husband, Robert C. Groom, was in the Air Force for 8 years and was the 14th person in the United States to be awarded the French Croix de Guerre. (About 6 years ago in the This Week magazine section of the Des Moines Register there appeared an article stating that only 21 had received the award here in the United States at that time.)

My husband cut out the clipping, handed it to me and said, "You know what my Croix de Guerre is worth? One dollar." He very much resents "authentic reproductions" of such medals being sold for a dollar apiece. And so do I.

There are no U.S. service medals being offered (I understand that is against the law), but all of the world famous medals other than that are being offered.

Perhaps one should find satisfaction in the fact that a medal one has been earned and not purchased; but if there is anything that can be done about this, or if only to add a protest—I protest.

Along with this, as a letter of complaint, I should like to add a more positive thought. We find ourselves very much in accord with your reaction to our sale of wheat to Russia—that it should have been a decision made through Congress, and not by the executive branch of Government alone.

Respectfully yours,

MRS. R. C. GROOM.

Mr. MILLER. Mr. President, upon checking the United States Code, I learned that it is against the law to wear with intent to deceive or mislead, any uniform or decoration of a friendly foreign country. It is also unlawful to knowingly wear, manufacture, or sell any decoration or medal authorized by Congress for the Armed Forces of the United States except when authorized by regulation. Though there is a prohibition against knowingly manufacturing and selling imitations of emblems of veterans' organizations incorporated by act of Congress, or unauthorized wearing or displaying the sign of the Red Cross, and the 4-H Club, as well as the Swiss Confederation coat of arms, the Justice Department informs me there is nothing to prohibit manufacture or sale of a distinguished medal of a friendly foreign

nation such as the French Croix de Guerre.

Mr. President, at this point in my remarks, I ask unanimous consent to have printed in the RECORD a letter dated December 9, 1963, from Nicholas deB. Katzenbach, Deputy Attorney General.

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

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C.

HON. JACK MILLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MILLER: This will acknowledge your letter of November 8, 1963, pertaining to the manufacture and sale of reproductions of foreign military medals, particularly the French Croix de Guerre. There is no existing Federal statute prohibiting such activity. As indicated in your letter to Mrs. Groom, section 704, title 18, U.S. Code, prohibits the unauthorized wearing, manufacture, or sale, of any military decoration or medal of the United States but does not extend protection to similar decorations of foreign countries.

With respect to special legislation to cover this situation, I might point out that there have been very few complaints of this nature referred to the Department of Justice. However, this does not necessarily reflect the true scope of the problem, since most complaints regarding military decorations are generally filed by servicemen or veterans with the Department of Defense. Accordingly, you may wish to contact the Department of Defense to determine if it has any information which may be relevant to your consideration of the need and desirability of legislation in this area.

Sincerely,

NICHOLAS DEB. KATZENBACH,
Deputy Attorney General.

Mr. MILLER. Accordingly, Mr. President, I introduce and send to the desk a bill and ask that it be printed in the RECORD and appropriately referred.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2416) to amend section 703 of title 18 of the United States Code to provide criminal penalties for manufacturing, selling, offering to sell, or advertising for sale, certain official decorations, medals, or badges of a friendly nation with knowledge, or reasonable grounds for believing, that the same will be used in the United States with intent to deceive or mislead, and for other purposes, introduced by Mr. MILLER, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 703 of title 18 of the United States Code is amended to read as follows:

"§ 703. Uniform, decoration, or regalia of friendly nation

"Whoever, within the jurisdiction of the United States, with intent to deceive or mislead, wears any naval, military, police, or other official uniform, decoration, or regalia of any foreign state, nation, or government with which the United States is at peace, or anything so nearly resembling the same as to be calculated to deceive; or

"Whoever, within the jurisdiction of the United States, knowingly manufactures, sells, offers for sale, or advertises that he or it has for sale, any naval, military, police, or other official decoration, medal, or badge of any foreign state, nation, or government with which the United States is at peace, or the ribbon, button, or rosette of any such decoration, medal, or badge, or any colorable imitation thereof, with knowledge, or reasonable grounds for believing, that the same will be used in the United States with intent to deceive or mislead—

"Shall be fined not more than \$250 or imprisoned not more than six months, or both."

SEC. 2. The section analysis of chapter 33 of title 18, United States Code, is amended by striking out the following item:

"§ 703. Uniform of friendly nation."

and inserting in lieu thereof the following item:

"§ 703. Uniform, decoration, or regalia of friendly nation."

Mr. MILLER. Mr. President, this bill would amend section 703 of title 18 of the United States Code to include among the prohibitions the manufacture, sale, offer for sale, or advertisement for sale, any naval, military, police, or other official decoration, medal, or badge of any foreign state, nation, or government with which the United States is at peace, or the ribbon, button, or rosette of any such decoration, medal, or badge, or any colorable imitation thereof, with knowledge, or reasonable grounds for believing, that the same will be used in the United States with intent to deceive or mislead.

Mr. President, I should point out that my amendment is not designed to punish newspapers and magazines which carry the advertisements of the manufacturers of the so-called "authentic reproductions" of distinguished medals but rather it is aimed at the industry which manufactures them and advertises that it has them for sale with a knowledge or reasonable grounds to believe that they will be purchased by imposters.

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

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

By Mr. BIBLE:

His report of activities of the Committee on the District of Columbia, 1st session, 88th Congress.

By Mr. WILLIAMS of New Jersey:

Statement by him, relating to honors awarded to Democratic Party photographer at the Capitol by the Finnish Government.

PRESIDENT JOHNSON ESTABLISHES A NATIONAL ECONOMIC CONVERSION COMMITTEE

Mr. MANSFIELD. Mr. President, on Saturday, December 21, President Lyndon Johnson ordered the establishment of a nine-member, high-level Committee of Defense and Economic Agencies in the executive branch, to study the problems arising out of shifts in defense spending, reduction of defense outlays, or possible disarmament, and to assure that they

are accomplished with as little economic dislocation as possible.

I call the President's order to the attention of the Senate because there is pending in the Commerce Committee a bill to accomplish this same purpose. It is S. 2274, introduced October 31 by Senators McGOVERN, BAYH, CLARK, GRUENING, HUMPHREY, LONG of Missouri, MORSE, NELSON, RANDOLPH, WILLIAMS of New Jersey, and YOUNG of Ohio.

On December 13, the Senator from South Dakota [Mr. McGOVERN] advised the Senate that he was seeking speedy reports from the executive departments on his proposed National Economic Conversion Act and that he would counsel with the administration to determine if the purposes of the act might be accomplished by Executive order. This has now been done by the President's establishment of a Committee on the Economic Impact of Defense and Disarmament, as it is officially designated.

I congratulate the Senator from South Dakota, the coauthors of the bill, and President Johnson on the very prompt action which has been taken.

We are obviously approaching a period of considerable adjustment in our defense outlays. The President's action assures that changes will be made carefully and thoughtfully to assure the speediest possible return of released manpower and productive facilities to civilian activity.

The recent announcement of plans to close 26 military installations was extremely disturbing to the areas involved. The New York Times described the response as an "uproar."

In his memorandum announcing establishment of the new committee, President Johnson stated:

It is * * * important that we improve our knowledge of the economic impacts of such (defense) spending so that appropriate actions can be taken—in cooperation with State and local governments, private industry and labor—to minimize potential disturbance which may arise from changes in level and pattern of defense outlays.

The Committee's work will contribute to the process of smooth and speedy change-over when such changes occur.

Mr. President, I ask unanimous consent to include in the RECORD President Johnson's announcement of the new Committee, the memorandum, and two New York Times articles of December 22 bearing on the President's action.

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

PRESIDENT'S ANNOUNCEMENT OF DECEMBER 21, 1963

The President today announced the formation of a high-level Government Committee to coordinate the work of Federal agencies in appraising the economic impacts of disarmament and changes in defense spending. It will be chaired by a member of the Council of Economic Advisers and will replace an informal group that began work on this problem last spring. The President noted that changes in the composition or total level of defense spending can significantly affect jobs and incomes in particular communities or in the Nation as a whole.

He stated: "I am confident that our economy can adjust to changes in defense spend-

ing or arms reduction that may occur. Our experiences after World War II and the Korean Conflict prove that. But the Nation as a whole and the communities with heavy concentrations of defense industry deserve assurance that any changes will be made with as little dislocation as possible. This Committee's work will contribute to the process of smooth and speedy changeover when such changes occur."

The President asked to be kept personally informed of the results of the Committee's work.

MEMORANDUM

To Hon. Robert S. McNamara, Secretary of Defense; Hon. Luther H. Hodges, Secretary of Commerce; Hon. W. Willard Wirtz, Secretary of Labor; Hon. Glenn T. Seaborg, Chairman, Atomic Energy Commission; Hon. James E. Webb, Administrator, National Aeronautics and Space Administration; Hon. William C. Foster, Director, U.S. Arms Control and Disarmament Agency; Hon. Edward McDermott, Director, Office of Emergency Planning; Hon. Kermit Gordon, Director, Bureau of the Budget; Hon. Walter W. Heller, Chairman, Council of Economic Advisers.

Subject: Formation of a Committee on the Economic Impact of Defense and Disarmament.

As you are aware, on July 10, Chairman Heller organized an informal committee to review and coordinate the work of Federal agencies relating to the economic impact of defense and disarmament. Based on the preliminary work of this informal committee, it seems desirable that it be given a more formal and permanent status.

I am therefore requesting you to designate a senior official in your department or agency to serve on this committee on a continuing basis. A member of the Council of Economic Advisers will serve as Chairman of this Committee.

The Committee will be responsible for the review and coordination of activities in the various departments and agencies designed to improve our understanding of the economic impact of defense expenditures and of changes either in the composition or in the total level of such expenditures.

Federal outlays for defense are of such magnitude that they inevitably have major economic significance. In certain regions of the Nation and in certain communities they provide a significant share of total employment and income. It is therefore important that we improve our knowledge of the economic impacts of such spending, so that appropriate actions can be taken—in cooperation with State and local governments, private industry and labor—to minimize potential disturbances which may arise from changes in the level and pattern of defense outlays.

I know that your agencies have already initiated a number of activities which will improve our ability to assess the economic consequences of the defense program. I do not expect this Committee to undertake studies of its own, but rather to evaluate and to coordinate these existing efforts, and if it seems desirable, to recommend additional studies—subject, of course, to appropriate review and authorization through established channels.

The Committee may wish to add representatives from other Federal agencies, and it is hereby authorized to do so.

As work in this area produces results of interest to the Congress and the general public, they should be made available in appropriate form.

This is an important subject and I wish to be kept personally informed as your work progresses.

LYNDON B. JOHNSON.

[From the New York Times, Dec. 22, 1963]
**DEFENSE STUDY FAVORS CUT IN ATOMIC
 WEAPON OUTPUT**
 (By John W. Finney)

WASHINGTON, December 21.—The Defense Department has drafted long-term requirements for its nuclear arsenal that would call for a substantial cutback in the production of atomic weapons in the coming decade.

The Pentagon requirements, presented to the White House, are being studied by the Atomic Energy Commission, which has the legal and fiscal responsibility for building and paying for the weapons.

Some differences of opinion have developed between the Defense Department and the Commission over the future requirements and how to scale down the production of fissionable materials for weapons. But on all sides there is now general agreement that, with an arsenal filled with tens of thousands of warheads, the time is approaching when weapons production must be curtailed.

The only basic questions that remain to be resolved are how and when to begin the cutback. The answers to these questions involve economic and political considerations that in many ways are more complex than the military requirements.

The planned cutback would represent the first significant reversal in the upward trend of weapons production that has prevailed ever since World War II. The dramatic increases have come in the last decade as the Commission expanded its production capability and the Pentagon developed warhead requirements for every weapon from a bazooka to an intercontinental missile.

A decade ago, for example, the Commission spent \$758 million for mining uranium, processing weapons materials, and developing and producing atomic weapons. By 1962 the expenditures had risen to \$1.9 billion, including funds for an extensive test series.

The first steps to reverse this trend came in 1962 when President Kennedy directed the military to cut back its requirements. The Kennedy move, in turn, set in motion the long-range studies that resulted in the current recommendations for far more substantial reductions in weapons production.

Within the Commission there has been a growing realization in recent years that its capacity to produce fissionable materials was beginning to outstrip the military demand for weapons.

In 1960-61, the Commission belatedly realized that a huge surplus of uranium was accumulating and began stretching out the deliveries of ore and scaling down its refinement.

This stretchout, however, was not reflected in any sizable cutback in the production of weapons. Rather, the pressure from both the military and the Joint Congressional Committee on Atomic Energy was for increasing production, particularly of smaller weapons.

PATTERN CHANGED

Now this pattern of gearing requirements to production capacity has been broken. In place of an annual determination, the Defense Department has outlined its long-term requirements until 1973. These requirements, particularly in the later years, fall far short of the Commission's production capacity.

Translating these reduced requirements into production cutbacks, however, is not proving to be a simple, straightforward matter for the Commission or the administration.

Part of the difficulty is in establishing now what kind of weapons and warheads the Pentagon will be needing a decade hence. For example, a decision to develop an anti-missile-missile system would greatly increase the demand for weapons materials.

Further complicating the projections are economic considerations, such as how soon

an atomic power industry will need the uranium that is now largely going into weapons.

There also are political complications, for any cutbacks will fall heavily on regions, some already economically depressed, that are highly dependent upon the atomic business and powerfully represented on Capitol Hill.

In 1959-60, for example, the Joint Chiefs of Staff, under prodding from the congressional committee, drafted long-term requirements that called for production of large numbers of small weapons. These requirements were used as the initial justification for the large plutonium-producing reactor now being completed at Hanford, Wash.

In the last year, two interrelated developments, one policy, the other administrative, have served to check the upward trend in weapons production.

OVERKILL QUESTIONED

At the White House level there has been a growing concern over the proliferation of small atomic weapons throughout military commands. Questions have also been raised as to whether the military was not acquiring an overkill capacity in its nuclear arsenal.

This changing attitude at the White House level was reflected in a significant change in the method of determining military requirements for atomic weapons.

Until now it has been the practice of the Pentagon to submit an annual "build order" for atomic weapons. This order, in turn, was based largely on the capacity of the Commission to produce the weapons.

The disagreement between the Pentagon and the Commission spring in part from differing approaches in projecting possible future requirements for weapons material. In its calculations, for example, the Defense Department makes little allowance for the materials that might be needed for such future weapons as the antimissile missile or the medium-range ballistic missile.

Furthermore, the Defense Department projections are based largely on existing weapons technology and make little allowance for the fact that by using more plutonium, better warheads could be developed for existing weapons.

Even within the Commission, however, it is acknowledged that in the reasonably near future, probably sometime after 1965, the production of weapons materials will exceed military requirements.

SOURCES OF MATERIALS

There are now two sources of fissionable material: the plutonium that is turned out by eight reactors at Hanford, Wash., and the five reactors at Savannah River, S.C., and the enriched uranium that is produced by gaseous diffusion plants at Oak Ridge, Tenn.; Paducah, Ky.; and Portsmouth, Ohio.

From a strictly technical standpoint, any cutback probably would fall most heavily on enriched uranium production.

While enriched uranium is cheaper pound for pound, plutonium has technical advantages for fabricating weapons, particularly in the smaller sizes. For example, it takes roughly three times as much enriched uranium as plutonium to make a critical or explosive mass.

Furthermore, plutonium is still in relatively tight supply. In contrast, a large surplus—some commission officials have estimated it will amount to about \$1 billion by 1966—is building up of enriched uranium.

It is at this point, however, that the problem of how and where to cut back the production of weapons materials gets involved in economic and political considerations.

Enriched uranium can be used as a fuel for atomic powerplants; the potentiality of plutonium as a fuel has not yet been developed.

ECONOMIC IMPACT

A cutback in uranium production also could be expected to have a broader economic

impact than a reduction in plutonium production.

About 5,200 persons are employed at the three gaseous diffusion plants—less than half the number employed at the Hanford and Savannah River plutonium centers.

But more important is the indirect employment provided by the gaseous diffusion plants through their tremendous consumption of electricity. About 6 percent of the Nation's total electrical capacity goes to run the plants, and the energy for this electricity comes largely from coal mined in West Virginia, Ohio, Tennessee, Illinois, and Kentucky.

Because of this combination of military, economic, and political complications, it now appears unlikely that any substantial reduction in weapons production will be reflected in the budget that the administration will present to Congress in January.

It is a decision, however, that the Johnson administration will have to make by the time another year and another budgetmaking period rolls around.

[From the New York Times, Dec. 22, 1963]
**PRESIDENT ORDERS SURVEY ON DISARMAMENT
 OUTLOOK—SETS UP NINE-MEMBER COMMITTEE
 TO HELP HIM COPE WITH ECONOMIC EFFECTS
 OF ARMS CUTS AND SPENDING SHIFTS**
 (By Jack Raymond)

WASHINGTON, December 21.—President Johnson ordered today the formation of a high-level Government committee to help him cope with the impact of possible arms reductions and shifts in defense spending.

An explanatory statement by the President made clear the administration's concern that military spending changes could weaken the economy. He asked the heads of nine Government departments to name senior officials to the new panel.

At present, military spending at the rate of \$1 billion a week accounts for more than half the total Federal budget of \$98 billion in the current fiscal year ending next June 30.

Mr. Johnson expressed confidence that the economy could adjust to change. He cited the experience of the periods following both World War II and the Korean war.

"But," he declared, "the Nation as a whole and the communities with heavy concentrations of defense industry deserve assurance that any changes will be made with as little dislocation as possible."

The President named Walter W. Heller, Chairman of the Council of Economic Advisers, as Chairman of the new nine-man Committee on the Economic Impact of Defense and Disarmament.

The other members will represent Defense Secretary Robert S. McNamara; Commerce Secretary Luther H. Hodges; Labor Secretary W. Willard Wirtz; Glenn T. Seaborg, Chairman of the Atomic Energy Commission; James E. Webb, Administrator of the National Aeronautics and Space Administration; William C. Foster, Director of the U.S. Arms Control and Disarmament Agency; Edward A. McDermott, Director of the Office of Emergency Planning, and Kermit Gordon, Director of the Bureau of the Budget.

In a memorandum to members of the Committee, Mr. Johnson said:

"This is an important subject and I wish to be kept personally informed as your work progresses."

Although the objectives of the Committee embrace the problems that might arise from disarmament, administration sources said there was nothing on the international scene indicating any substantial disarmament agreement soon with the Soviet Union.

NO SETTLEMENT IN SIGHT

Secretary of State Dean Rusk pointed out yesterday that the unilateral arms cuts announced by the Soviet Union a few days ago and previously announced U.S. reductions in

military operations had "no effect" on the current search for agreements on disarmament or any other subject.

Mr. Rusk said he did not know what the Soviet troop reduction really meant. Reductions by the United States, he declared, have not curtailed our combat effectiveness.

Mr. Foster, the Director of the Arms Control Agency, nevertheless was given a key place in the new Committee. This was done, it was reported, in view of past studies of the subject by his Agency and the similarity of the economic problems arising from disarmament or shutdowns for technical reasons.

Government officials said it was recognized that if the present apparent detente with the Soviet Union continued, significant reductions in military spending might occur, even without a formal disarmament agreement, so long as basic national security needs were not endangered.

Although arms control measures remain problematical the officials said shifts in types of weapons development and production had already created service difficulties.

The uproar over the announced closing of 26 military bases in this country and pending reductions in naval shipyards underscores one of the problems faced by the Committee.

"Federal outlays of defense are of such magnitude that they inevitably have major economic significance," President Johnson observed in his memorandum. "In certain regions of the Nation and in certain communities they provide a significant share of total employment and income."

"It is therefore important," he continued, "that we improve our knowledge of the economic impacts of such spending, so that appropriate actions can be taken—in cooperation with State and local governments, private industry and labor—to minimize potential disturbance which may arise from changes in the level and pattern of defense outlays."

Studies of the economic impact of disarmament and defense spending shifts are not new in Government.

The President, in his memorandum, called attention to the informal committee Mr. Heller formed last July to review and coordinate the work of Federal agencies in this field.

"Based on the preliminary work of this informal committee, it seems desirable that it be given a more formal and permanent status," Mr. Johnson said.

The new Committee is not expected to undertake new studies of its own and go over some familiar ground, the President pointed out. Instead, he said, he is seeking an evaluation and coordinating effort.

"This Committee's work will contribute to the process of smooth and speedy change-over when such changes occur," Mr. Johnson said.

One of the major pending changeovers in the defense economy is dependent upon the work of a Pentagon committee studying the Navy's shipyard requirements. The United States now supports 11 naval shipyards. Defense Secretary McNamara has said they are not all needed.

DEFENSE CONVERSION WITHOUT FEAR

Mr. McGOVERN. Mr. President, I appreciate the remarks of the majority leader in regard to the President's new Committee on the Economic Impact of Defense and Disarmament. I thank him sincerely, and I want to thank each of the Senators who joined me in sponsoring the conversion planning bill, S. 2274—Senator BAYH; Senator CLARK; Senator GRUENING; the majority whip, Senator HUMPHREY; Senator LONG of Missouri; Senator MORSE; Senator NELSON; Senator RANDOLPH; Senator WIL-

LIAMS of New Jersey, and Senator YOUNG of Ohio.

The Nation is indebted to President Johnson for initiating conversion planning so expeditiously. The Committee which he has established follows closely the pattern proposed in the legislation which my colleagues and I introduced on October 31 and which I recently discussed with the President's White House aids.

The establishment of the Committee on the Economic Impact of Defense and Disarmament is another evidence that that President is a man of action, capable of making decisions and implementing them promptly. One of the remarkable aspects of the assumption of the Presidency by Mr. Johnson is the manner in which he has not only kept the work of the late President John F. Kennedy moving forward but has already initiated programs and actions of his own. There has been no lag, no pause, no suspension of initiative.

The assurance with which President Johnson has assumed the Nation's highest office and moved forward is reminiscent of President Kennedy's confident initiative.

The need for advance planning for conversion is daily becoming more apparent. The New York Times, December 21 issue, revealed that the Defense Department has completed drafting its 10-year requirements for nuclear weapons and that a substantial cutback in production is in order. I suggested in a speech on the Senate floor on August 2 that the atomic weapons acquisition program could be reduced by as much as a billion dollars. It now appears more hopeful that this may be accomplished.

I am pleased that the Senator from Montana has placed in the RECORD the New York Times article on proposed cuts in the atomic weapons program.

Mr. President, on the same day, the Washington Sunday Star revealed the intended closing of several Federal naval factories. I ask unanimous consent that the Star article be printed in the RECORD.

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

SURPLUS SHIPYARDS' CLOSING COULD NET \$100 MILLION YEARLY

(By Richard Fryklund)

Defense officials estimate that almost \$100 million a year can be saved by closing shipyards which the Navy and Defense Department agree are not needed.

In addition, Assistant Secretary of Defense Thomas D. Morris is studying many more military installations which could someday be declared surplus. There is no specific surplus list today, he says, but several installations, in addition to shipyards, are coming under close scrutiny.

Some Defense officials believe the ultimate savings from base closing could go to \$250 million a year. Secretary of Defense McNamara has mentioned potential future savings of \$125 to \$150 million a year.

Some of the installations under study by Mr. Morris are still wanted by the services, but the major objections to any sudden, sweeping closings are said by some officials to be coming from Congressmen and local officials.

PRESSURE TACTICS USED

These people bring pressure to bear on the White House and Pentagon to retain installations that even overwhelming evidence shows are surplus.

A major problem for Mr. McNamara is that the evidence seldom is overwhelming. While studies will show that particular kinds of installations are surplus, the studies will not always show clearly which particular base should get the ax.

Mr. McNamara's own inclination is to make swift decisions and ignore the political uproar. Money saved is worth more to him than tranquillity on Capitol Hill.

During his 3 years in office more than 400 installations in the United States and overseas have been closed. Some 6,700 still exist.

Most closings were revealed one at a time. The outcry was minimal. Twice, however, early in the Kennedy administration and about 2 weeks ago, closings were lumped into long lists, apparently to give the public an image of vigorous economizing.

PROTESTS STILL ECHO

The protests from the last list are still being heard in Congress and the Pentagon.

It is now clear that Mr. McNamara wanted to announce even more closings on December 12, specifically three or four major shipyards. (One of the 12 yards, a small repair facility, was ordered inactivated.)

He was stymied, however, when the Navy was unable to produce convincing studies specifying which particular yards should go.

The Navy agrees with Mr. McNamara that about 30 percent of its shipyard capacity is not needed. Existing Navy studies analyze ship construction needs, but they bear little on other major considerations—overhaul, the location of shipyards in relation to strategic objectives, mobilization requirements, and the effect on morale of changed yards and home ports.

Frantic efforts were made at the last minute to pick more excess bases, but the back-up facts just did not prove to the satisfaction of Mr. McNamara, the Navy or Congressmen which shipyards were the least useful.

Mr. McNamara last week appointed a board to study the problem further. He said it would report "in the next 12 months."

The Navy will recommend closings based on purely military considerations. Civilian officials on the board will study the economic and political impact of shutdowns.

Here are some of the complexities involved in closing a major shipyard.

The study group could measure the savings from closing the facility and dropping, for example, 10,000 civilian employees. It would also have to consider the problems created by sending a task force based near the shipyard to some other yard for repairs.

A major overhaul takes 4 months. The crews would be away from their home base 4 months on top of the normal 12 to 18 month cruises. Hundreds of sailors would leave the Navy. New men would have to be recruited and trained at considerable expense.

If the home port is changed along with the repair yard, the Navy will find in several instances that the ships are based far away from established training installations.

When the studies do single out specific bases, Mr. McNamara's list will have to clear the White House before it can be presented to Congressmen. Pentagon officials believe the study will continue at least until after the November election.

Mr. McGOVERN. In commenting editorially on the President's action in establishing the new, high level conversion planning committee, the New York Times reviewed impending defense cutbacks, or shifts, and said:

Such dislocations will become much more general when and if dependable arrange-

ments can be made for a worldwide reduction in the staggering burden of armaments. The U.S. military budget alone comes to more than \$50 billion a year, or one-twelfth of our gross national product. Certainly, nothing could be more welcome than the fruition of our long quest for a world orderly enough to permit a substantial lightening of that load—provided we have adequate plans in readiness for using constructively the released men and resources.

The President has now taken steps to assure that such plans are in readiness, and I have every confidence that we can, if we will, make either relatively minor or major adjustments from military to civilian activity with little dislocation.

During World War II, 40 percent of our gross national product was military, or five times the present proportion of military expenditures. We made the adjustment in the 1945-48 period to a peacetime economy while holding unemployment below 4 percent. We have a great backlog of civilian needs to be met now, as we did then.

Today we need schools, housing, health facilities, modern urban transportation, electronic traffic control systems, water resources developments, pollution control, modernization of industries which have been long neglected, civilian air transport and many other things—enough to absorb all of our excess defense production capacities in civilian work.

As the effort to establish world peace succeeds—and it must succeed—the necessity for conversion will increase. A dread of conversion must not be allowed to thwart adjustments as they become possible.

Until disarmament does become a reality, resistance to changes can prevent economies, budget reductions and the transfer of our productive resources to meeting real needs.

Conversion planning, either for shifts in defense emphasis or for disarmament, is a national necessity for which President Johnson has now wisely and promptly made provision. He deserves great credit for it.

I ask unanimous consent to have printed in the *RECORD* the New York Times editorial of December 23, 1963.

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

[From the New York Times, Dec. 23, 1963]

PLANNING FOR DISARMAMENT

The high-level Committee President Johnson has appointed to help cushion the impact of possible cuts and shifts in arms spending is a needed addition to the Nation's economic defenses. The desirability of advance planning to prevent disarmament from causing widespread unemployment and community hardship has already been demonstrated, on a microscopic scale, by the dismay with which Secretary McNamara's orders for closing a handful of military installations have been greeted in the localities directly affected.

More layoffs in defense establishments are likely to result from the Pentagon's discovery that its arsenal of atomic weapons is getting over full. If cutbacks are made in the production of fissionable material and of warheads, communities that have grown up around the plants of the Atomic Energy Commission will be hard hit. So will the electric generating plants and coal mines

that depend on the AEC activities for their economic life.

Such dislocations will become much more general when and if dependable arrangements can be made for a world-wide reduction in the staggering burden of armaments. The U.S. military budget alone comes to more than \$50 billion a year, or one-twelfth of our gross national product. Certainly, nothing could be more welcome than the fruition of our long quest for a world orderly enough to permit a substantial lightening of that load—provided we have adequate plans in readiness for using constructively the released men and resources.

The dangers implicit in an unplanned transition are underscored by the difficulties the country is experiencing in adjusting to automation. The blessings it should bring in greater abundance and lessened drudgery have been obscured by the lack of useful work for those thrown on the human slag pile. President Johnson is expected soon to create another advisory committee to deal with this problem. Still another Presidential committee is developing plans for the economic reclamation of Appalachia, the most distressed of America's areas of social neglect.

The multiplicity of such problems and their interrelatedness suggest the wisdom of a coordinated White House approach—the creation of an Economic Policy Board, which would perform in the economic field much the same functions as the National Security Council does in defense. Such a plan was put forward last year by Dr. Arthur F. Burns, who headed President Eisenhower's Council of Economic Advisers. With the problems of automation, disarmament and the alleviation of poverty added to the perennial problems of taxes, budgetmaking tariffs and international payments, the need for an economic general staff grows in urgency.

THE SMALL BUSINESS INVESTMENT COMPANY PROGRAM

Mr. SPARKMAN. Mr. President, the Congress can be gratified by recent developments affecting the small business investment company program. Early in this session of Congress, other members of the Senate Small Business Committee joined me in introducing two bills designed to make this program more workable. One of these bills, S. 298, was passed by the Senate and has been favorably reported by the Committee on Banking and Currency of the House. The House committee recommended some amendments to our bill, but I am confident that any differences between the bill passed in the Senate and that which is passed by the House can be worked out in conference.

The other bill that I introduced, S. 297, would amend the Internal Revenue Code as it affects small business investment companies. I understand that steps are now being taken to clear the way for early consideration by the House Committee on Ways and Means of a companion bill introduced by Congressman PATMAN. In the meantime, I have been highly gratified, by the actions taken by the Internal Revenue Service to put into effect administratively some of the proposals made in our bill.

My tax bill, S. 297, would provide an exemption for small business investment companies from the accumulated earnings surtax. Such an exemption would allow small business investment companies to retain their earnings for rein-

vestment in small businesses without incurring the additional tax imposed on accumulated earnings. The Internal Revenue Service agreed with us on the need for this, and this relief has now been provided administratively.

Of greatest significance, however, was the action taken just last week by the Internal Revenue Service having to do with the establishment by small business investment companies of tax deductible bad debt reserves. The Small Business Committee has long recognized how desperately such reserves are needed if the small business investment company program is to be a successful one. This program was established to provide a source of risk capital to small and independent concerns. It is implicit in any program requiring risk taking that there will be losses. When the program was established, those of us who sponsored and worked for it recognized that there would be such losses. In addition, new programs of this kind lack a loss experience which would serve as a guide for individual companies. It is for these reasons that the Senate Small Business Committee has consistently recommended a fixed percentage statutory reserve for small business investment company losses. Last week, the Internal Revenue Service manifested its recognition of this need by announcing that during the next 5 years, small business investment companies will be permitted to establish bad debt reserves of 10 percent of outstanding loans. In my opinion, this action is a significant contribution to the success of this small business venture capital program. The Internal Revenue Service is to be commended for the sympathetic consideration that it has given to the needs of small business in this respect. I heartily applaud the action that has been taken, and I know that it will enhance the stability of this program and its chance for success.

I am sure that the attention of many Senators has been called to unfavorable comments in the financial press on the SBIC program. Many writers have expressed doubt concerning the long-range prospects for success of the small business investment companies. In most instances this doubt has been built upon doubt of the continuing congressional and executive support for the program. Certainly, I believe that the action of the Senate in passing S. 298, and the action of the House committee in favorably reporting this bill, give clear indications of the support which the Congress gives to this program. The actions taken by the Internal Revenue Service affecting this program indicate equally strong support by the executive branch.

In addition, Mr. President, it gives me a great deal of pleasure to recall that President Johnson was one of the chief architects of the legislation which created this program—the Small Business Investment Act of 1958. He was one of that small group of Senators who, for 10 years prior to 1958, struggled to establish a source of venture capital for small business. In 1958, a study by the Federal Reserve Board, made at the insistence of the Senate Committee on Banking and Currency, confirmed the

longstanding position of that committee and the Senate Small Business Committee that small firms did not have adequate access to equity capital. The then Senator Johnson was instrumental in guiding the necessary legislation through the Congress. I am confident that he continues to support the program established by this legislation.

Mr. President, I believe that all of these factors should serve to dispel once and for all any notion within the financial community of this country that the small business investment company program has anything less than the full support of Government. I truly feel that the day will come when small business investment companies will be considered as much a part of the financial life of America as national banks and savings and loan associations.

THE LATE ROSWELL MAGILL

Mr. BYRD of Virginia. Mr. President, as the 1st session of the 88th Congress comes to a close, I ask unanimous consent to have printed in the RECORD an expression of deep distress in the Senate of the United States at the untimely passing earlier this month of a distinguished American, Mr. Roswell Magill.

No one in the Senate could be more distressed than I. It is my wish to be numbered among his many friends and associates who extend sincere sympathy to members of his family.

Mr. Magill was one of the soundest students of American taxation I have ever known, and he dedicated his life to constructive work in this field, as a teacher, as a practitioner, and in the service of his country.

He was a native of Illinois and a graduate of Dartmouth College and the University of Chicago. He taught at Columbia and the University of Chicago. He was an attorney for the U.S. Treasury in 1933 and 1934, and he was Under Secretary of the Treasury in 1937 and 1938. He was an outstanding member of the bar, practicing law in New York.

In addition, he served as chairman of a special tax study committee for the Ways and Means Committee of the House of Representatives in 1947 and as chairman of the Connecticut Tax Survey Commission in 1948.

For more than 20 years he has been associated with Tax Foundation, Inc., one of the Nation's most reliable independent organizations for research in public affairs.

He served the Tax Foundation as trustee, president, and as chairman. He had just been reelected to the latter position on December 3. During the past decade he had also headed the foundation's committee on Federal tax policy.

It was my privilege to know Roswell Magill since my early days on the Finance Committee. I always looked forward to his testimony before the committee and treasured his constructive advice which invariably was the product of sound thinking.

He last appeared before the committee on October 23, this year, testifying on

the pending tax bill. Strictly in character, despite recent illness, and a heavy schedule of professional commitments, he voluntarily took the time and made the effort to render this patriotic service, as he had so many times before. I talked to him at some length that day, and as usual his keen intellect and clear judgment were evident.

We shall always be grateful for his fine service to the Finance Committee and his constructive contributions to his country.

FANCY VERSUS FACTS IN THE REA PROGRAM

Mr. METCALF. Mr. President, it is no secret that the private power companies are currently engaged in a massive advertising program to rid themselves of the competition of the rural electric co-operatives and other public power operations. In this regard, the December issue of the Reader's Digest carried one of the most biased, absolutely vicious articles attacking this Nation's rural electric co-op movement which I have ever read.

The printing of this article was not enough. A further example of the activities of the private utilities is evidenced by a letter and enclosure of this Reader's Digest article to the shareholders of the Oklahoma Gas & Electric Co. from its president, Donald S. Kennedy. In his letter, Mr. Kennedy commends the article calling it a "case against further encroachment by the REA." He calls the REA "unfair competition" and concludes by stating that he hopes the article will impel the shareholder to write his Congressman and Senators "a note or card" protesting what he calls further subsidy, tax freedom, and absence of regulation for REA cooperatives.

Mr. President, I ask unanimous consent that this letter—and the company's October 15 quarterly report—be printed in the RECORD.

There being no objection, the letter from Mr. Donald S. Kennedy to the shareholders of the Oklahoma Gas & Electric Co. and report were ordered to be printed as follows:

OKLAHOMA GAS & ELECTRIC CO.,
Oklahoma City, December 11, 1963.

DEAR SHAREOWNER: The attached reprint from so reputable a publication as the Reader's Digest states so forcefully the case against further encroachment by the REA that I feel it should be placed in the hands of every investor in the United States. Without expense to the company, I am making sure that each shareowner in Oklahoma Gas & Electric Co. residing in Oklahoma has the opportunity of reading this.

You have, no doubt, already read much about the REA subsidized operation sponsored by bureaucratic forces in our Government to further expand this federally financed competition with the taxpaying companies which help support our National Government.

As an investor in Oklahoma Gas & Electric Co., you are interested in knowing that a part of your company's profits, as well as part of your own Federal income taxes, are being used by the Federal Government to support this most unfair competition with the electric industry today.

It is my hope that, after you have read this, you will feel impelled to write your Congressman and Senators a note or card protesting further subsidy, tax freedom, and absence of regulation for REA co-ops. These co-ops are now acting as public utilities, and as such they should be bound by the same rules of the game as the company in which you have your investment. I should also be most interested personally in any reaction you may have to this article.

Most sincerely,

D. S. KENNEDY,
President.

Oklahoma Gas & Electric Co.—Comparative statement of income

	8 months ended Aug. 31		12 months ended Aug. 31	
	1963	1962	1963	1962
Electric revenues.....	\$54,562,545	\$48,662,724	\$80,175,323	\$71,608,596
Operating expenses:				
Operation.....	17,418,083	14,956,708	25,566,241	22,157,918
Maintenance.....	3,346,889	3,308,768	5,040,457	4,857,041
Depreciation.....	6,080,411	5,722,612	9,022,069	8,538,351
Federal income tax.....	7,800,000	7,171,000	11,137,000	9,989,000
Federal income tax deferred, net.....	632,000	837,000	1,060,000	1,233,000
Other Federal, State, and local taxes.....	5,024,413	4,731,325	7,288,356	6,897,152
Total operating expenses.....	40,301,776	36,727,413	59,123,123	53,672,462
Operating income.....	14,260,769	11,935,311	21,052,200	17,936,134
Interest income.....	100,597	66,806	154,442	66,806
Gross income.....	14,361,366	12,002,117	21,206,642	18,002,940
Income deductions:				
Interest on long-term debt.....	3,046,459	2,759,584	4,426,250	4,139,375
Interest charged construction (credit).....	(320,952)	(212,032)	(467,379)	(294,383)
Miscellaneous.....	249,624	202,747	356,951	353,524
Investment tax credit.....	632,000	—	932,000	—
Amortization-debt discount and expense.....	141,473	—	141,473	—
Total income deductions.....	3,748,604	2,750,299	5,389,325	4,198,566
Net income.....	10,612,762	9,251,818	15,817,317	13,804,374
Preferred stock dividends.....	—	—	1,716,600	1,716,600
Balance available for common dividends and surplus.....	—	—	14,100,717	12,087,774
Common shares outstanding at end of period.....	—	—	13,814,272	13,814,272
Earnings per share of common stock.....	—	—	\$1.02	\$0.88

1 1962 adjusted for 2-for-1 split which was effective Mar. 7, 1963.

DIVIDENDS

Quarterly dividends declared by the board of directors, payable in October 1963, are as follows:

Class of stock	Payable	
	Per share	Date
4.00 percent preferred, \$20 par...	\$0.20	Oct. 15
4.20 percent preferred, \$100 par...	1.05	Oct. 18
4.24 percent preferred, \$100 par...	1.06	Do.
4.44 percent preferred, \$100 par...	1.11	Do.
4.80 percent preferred, \$100 par...	1.20	Do.
Common, \$2.50 par...	.18	Oct. 30

The record date of the preferred stocks was September 30, 1963, and the common October 10, 1963.

SALES

Total revenues for the year ended August 31, 1963, amounted to \$80,175,000, which was an increase of \$8,567,000 or 12 percent over the previous year. It is estimated that approximately \$2,100,000 or one-fourth of this increase was due to the abnormally warm weather which began in April and extended into September. Temperatures were 14 percent above normal and it was the hottest summer since 1936. Sales to residential and commercial customers increased considerably because of greater usage of air-conditioning equipment.

Average residential usage for the year ended August 31, 1963, was 3,792 kilowatts. This was a gain of 517 kilowatts or 15.8 percent and the largest gain in the company's history.

The company served 374,064 customers at the end of August, which was an increase of 11,842 or 3.3 percent over the previous year. This rate of customer growth is substantially above the average for our industry.

Earnings on common stock for the 12 months ended August 31, 1963, were \$1.02 per share compared with 88 cents for the previous year.

DEDICATION OF NEW POWERPLANT

Oklahoma's Gov. Henry Bellmon and General Electric President Ralph J. Cordner were among the featured speakers at the dedication of the world's largest combined cycle steam turbine-gas turbine generating unit at the company's Horseshoe Lake Station at Harrah, Okla., 20 miles east of Oklahoma City on September 27. This new combined cycle unit has a capability of 250,000 kilowatts, bringing the total capability of this station to 520,000 kilowatts. Top business and political leaders from throughout the State of Oklahoma were on hand for the dedication, along with leaders of the electric industry and the industry press from throughout the United States. Public open house was held Sunday afternoon, September 29, with several thousand visitors touring the plant. The project was completed at an approximate cost of \$23 million and is another of many pioneering ventures in the electric industry by our company.

COMPETITION FROM REA COOPERATIVES

The rural electric cooperatives in Oklahoma continue to compete aggressively with the company in some cities and towns, while still resisting their fair share of taxes and regulations and continuing to operate with Federal subsidy.

REA cooperatives in Oklahoma and Arkansas continue to exploit, as do other REA cooperatives in the Nation, the unfair advantages of subsidized interest rates and relative freedom from taxation. The cooperatives pay only 2 percent interest on the funds which they borrow from the Federal Government. This money costs the Federal Government approximately 4 percent.

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In Oklahoma, the cooperatives pay only slightly more than 2 percent of their gross revenue in taxes, whereas investor-owned utilities, such as the company, pay approximately 25 percent in taxes. In Arkansas, the cooperatives pay approximately 5 percent in taxes.

With these unfair subsidies, and the additional advantage that they are not subject to regulation as are investor-owned utilities, the cooperatives in the company's service area have extended their operations in recent years. The electric loans to the cooperatives in Oklahoma now exceed \$181 million. Their revenue exceeds \$24 million from more than 145,000 customers.

Although the farms in Oklahoma are 96 percent served, those in Arkansas 98 percent, and in the United States 98 percent, the REA and the federally financed cooperatives continue to grow and expand. One new aspect of this use of taxpayers' money is the lending of funds by the cooperatives for industrial development. This is money borrowed from the Federal Treasury at 2 percent and loaned to the industrial or commercial concerns at higher rates of interest, usually 4 percent. This further illustrates the extent to which the REA cooperatives have deviated from their original purpose of taking service to farmers.

The rural electric cooperatives in Oklahoma have to a great degree grown away from being farm cooperatives as have many other rural electric cooperatives in the United States. This is evidenced by the fact that 48 percent of all the kilowatt-hour sales of the Oklahoma cooperatives in 1961 were made to commercial and industrial customers. Of the 26 local REA cooperatives in Oklahoma, 7 had sales of over 50 percent commercial and industrial business and 2 of these had sales of over 80 percent commercial and industrial business. The cooperatives should assume their responsibilities of paying their fair share of taxes and of operating without interest subsidies.

D. S. KENNEDY,
President.

Mr. METCALF. Mr. President, the Rural Electric Minuteman of December 6 carried an answer to the nefarious journalism of the Reader's Digest, and I ask unanimous consent that this article entitled "Fancy Versus Fact—Fiction in the Reader's Digest," be printed in the CONGRESSIONAL RECORD at this point so that my colleagues may have a ready answer when the note or card inspired by the private power companies arrives.

There being no objection, the article entitled "Fancy Versus Fact—Fiction in the Reader's Digest" was ordered to be printed in the CONGRESSIONAL RECORD, as follows:

FANCY VERSUS FACTS—FICTION IN THE READER'S DIGEST

The December issue of the Reader's Digest carries one of the most vicious attacks ever made against the Nation's rural electric cooperative program.

Titled "The REA—A Case Study of Bureaucracy Run Wild," it is another chapter in the multimillion-dollar propaganda war being waged nationally against the co-ops by the power companies and their allies.

The authors of the article—yellow journalism at its worst—are listed as Kenneth Gilmore and Eugene Methvin, otherwise unidentified. The Digest also is offering dirt cheap reprints of the mudslinging article to show how anxious it is to dig the graves of co-ops.

Although the Digest periodically castigates REA as being Government subsidized

(which it is not), the magazine never mentions its own lush Government subsidy: a second-class mailing privilege that the Post Office estimated in 1958 saved the Digest some \$5 million a year. It must be considerably more now. This is money that is taken directly from the pockets of U.S. taxpayers and isn't paid back. REA loans are repaid, of course, with interest.

It is also significant that the Digest takes thousands of dollars of advertising each year from the electric companies advertising program (ECAP) that rips into the rural electric at every opportunity. Our late President, John F. Kennedy, described this advertising program as "particularly ugly."

Here are some of the many misrepresentations that appear in the current Digest article. The facts follow the quotes:

Quote: "The REA—A Case Study of Bureaucracy Run Wild."

Fact: This is not a case study but sheer propaganda put out by private power companies as part of their drive to destroy consumer-owned electric systems. The U.S. Congress—not REA—after hearings and committee investigations voted the largest appropriations in REA's history to meet the growing capital needs of the program. Congress even voted more administrative funds than REA asked for to take care of the growing demands. The only thing running wild is the imagination of the two authors and the Reader's Digest.

Quote: "To bring electricity to farm areas."

Fact: The REA Act clearly specifies "rural areas." Use of "farm areas" is a calculated power company propaganda ruse, carefully planned over the years to distort the true objectives of REA and put artificial limits on the program's operations.

Quote: "REA is a 'monster eating into the entire electric power industry.'"

Fact: REA-financed systems make up only 1 percent of the entire electric business—and this small percentage was created in areas private power companies refused or could not serve. Power company profits are at an all-time high and their flagrant overcharges have been verified by the Federal Power Commission. Will the real monsters please stand up?

Quote: "Eating . . . into the taxpayer's pocketbook as well."

Fact: Tax-producing wealth created by REA-financed electric systems adds over a billion and a quarter dollars annually to the gross national product by creating markets for electric appliances, wiring, and equipment. Grade A milk, universal in the United States, could not be produced economically in quantities but for electric service. Rural homes and farms justify higher evaluations with electric service available, resulting in greater local tax income. Industry is attracted and greater economic activity results. Health standards are raised and modern hospitals are possible. Defense and transcontinental communication needs are met. For taxpayers outside the rural electric service areas, their tax burdens are lessened by the billions.

Quote: "Regarding Florida Eglin Air Force Base, the Federal subsidy allowed the tax-free co-op to grab business from a long-established taxpaying private utility" and "the Gulf Power Co. offered to furnish the electricity from its nearby power system."

Fact: The Comptroller General of the United States (no admirer of REA) reviewed the REA loan, and said "it is clear that Gulf Power would have to extend its lines approximately 15 miles to serve the radar site." The co-op line is 4 miles away. Regarding taxes, he said, "the Air Force states that taxes paid by private companies are dependent upon profits and may vary from time to time because of numerous factors. Interest paid by the Government also varies

* * * To try and isolate these factors and give them a numerical value would be quite difficult and would involve considerable speculation."

Quote: "Such senseless spending and ruthless squashing of private enterprise are not all that is involved."

Fact: The REA loan is part of a long-range development plan to bring power to areas Gulf Power will not serve under any conditions. The airbase radar load helps the co-op develop its marginal territory and its limited number of consumers into a better system more able to serve future demands.

Gulf's profits and stock ratings along with other power companies are regarded by investors as the growth stocks of the financial world. They give the lie to any "ruthless squashing" asserted by Reader's Digest writers.

Quote: "By diverting the contract from the privately owned Gulf Power Co., the REA has deprived the Government of \$43,500 a year in corporation taxes."

Fact: Even the Comptroller General disagreed with this. What Reader's Digest neglected to say is that the Government would be paying this \$43,500 to the power company, in the first place, plus additional tax liability to cover all the company tax subsidies, investment credits and their share of gross profits.

Quote: "Such cases are cropping up across the Nation. In Indiana, tax-fed co-ops are pirating away millions of dollars worth of business from private enterprise."

Fact: This is sheer fantasy. Co-ops are private enterprise, incorporated under State laws. Their loans are restricted by Federal law so as not to compete with power companies. It is the power companies who invade co-op service areas and pirate away business planned to complete area coverage standards. The Government restrictions confine loans to developing areas the power companies would not or could not serve. It is not—and never was—business the power companies wanted. Now that development has grown where power companies want to merge rural systems into their own business and become sole electric suppliers in the country, they scream that the little co-ops hurt their business. Actually they get \$100 million in additional power sales to the co-ops.

Quote: "With the job now virtually completed, REA continued to expand."

Fact: Another line right out of the utility propaganda book. Does Reader's Digest advocate that power companies stop investing \$4 billion a year to expand service to customers already receiving service? Rural customers' needs grow the same as urban customers.

Quote: "REA co-ops with their 2-percent subsidy and tax-free advantages are competing unfairly with private business."

Fact: The power business is a monopoly and not private competitive enterprise as the term is used in the business world. Reasonable profits are guaranteed by State regulation. Usual business risks are ruled out. REA interest loan rate and nonprofit operations are not factors in a utility's ability to carry on its business in its own service areas. There is no competition between electric systems. It is outlawed by State regulations. The interest rate and nonprofit State statutes are equalizers for the co-op to help overcome the lack of density in serving marginal territories no one else wanted. Power companies have the same "tax advantages" if they would forgo profits.

Quote: "REA has barged into the industrial loan business, an activity far removed from its original design."

Fact: More utility propaganda. Reader's Digest writers carefully omit the fact that REA does not make loans as described. The House Oversight Committee held hearings on power company claims, such as Reader's

Digest voices, and concluded there was nothing to substantiate the criticisms of funds loaned to develop ski resort equipment and the like.

Quote: "REA-subsidized co-ops use their tax-free earnings for a variety of private, profitmaking ventures."

Fact: This utility propaganda line was investigated by the Congress several years ago and found to be completely untrue.

Quote: "Regarding the Indiana generating loan, 'it was a pure giveaway, for private enterprise with adequate power facilities was able and willing to supply energy to these co-ops at reasonable rates.'"

Fact: This loan has met every test invoked by power companies and been proved sound and in the public interest.

Quote: "Description of Colorado-Ute G-T development."

Fact: The account is taken from power company propaganda sheets and is lacking in credibility and authenticity. Reader's Digest fails to mention the loan was approved by the Colorado regulatory agency.

METHODIST BISHOPS SPEAK ON MEANING OF PRESIDENT KENNEDY'S DEATH

Mr. McGOVERN. Mr. President, some of the most thoughtful statements made on the death of President Kennedy were offered by three bishops of the Methodist Church.

The December 19, 1963, newsletter of the Mitchell, S. Dak., Rotary Club carries a statement by Bishop Edwin R. Garrison, of the Dakota area of the Methodist Church. The January 1964 issue of the Methodist magazine, *Together*, includes a tribute to the late President Kennedy by Bishop John Wesley Lord of the Washington area. The December 1963 issue of the *New England Methodist publication*, *Zion's Herald*, carries the address by Bishop James K. Matthews of the Boston area which he delivered at the Washington Cathedral on November 24.

Mr. President, I am proud of the leaders of my church as represented by the moving statements of these three great bishops. I ask unanimous consent that the three statements be printed at this point in the RECORD.

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

[From the Rotary Whistle, Mitchell (S. Dak.), Dec. 19, 1963]

Our first word must concern our bereavement in the death of President Kennedy. Every person of religious faith will pray for the Kennedy family. We will likewise pray for President Johnson. May God have mercy on this land of ours, forgive each one of us for our trespasses and set our feet upon the path of righteousness, justice, and mercy.

These tragic days are a byproduct of a serious flaw in our American behavior. We call ourselves a civilized people. Our material standard of living is the highest in the world. In comparison with other nations we lack nothing which our money can buy. We are a nation of churchgoers in a sense no other nation can claim. Why, then, do our leaders fall before gunfire as in no other country where the political and economic stability approaches our own? The truth is that we are a people of irresponsible thought and unbridled language. We think in irrational extremes. Whoever disagrees with a fellowcitizen stands the risk of being tagged as subversive. All too often we accept the idea that the end justifies the means even if it means disregarding somebody's

constitutional rights. In political campaigns we make charges and counter charges. One man is said to be "soft on communism." Someone else is called a Fascist. Campaigners imply that if the opposition wins the election, the country will be lost—so go the diatribes.

Most of this loose talk is sheer rhetoric—intended to jolt voters out of their lethargy. It is proven on the day after election when the loser shakes hands with the winner and pledges his support. But the damage has been done. In every community there are emotionally disturbed persons who may be triggered to violence by irresponsible language.

This goes on all the time in our public life situations which should call for sensible discussions—race and international relations, management and labor controversies. Public speaking platforms and mail boxes are deluged with appallingly bitter language.

Now add to this our peculiar insistence upon the right of every citizen to carry a gun, combined with a love of shooting scenes in movies and TV, and you have the making of explosive disaster.

For some time there has been the most irresponsible kind of talk in our country. Sometimes from Governors of States, now and then also from so-called ministers of the gospel there has been a continual stream of words which beget violence. Some people sit by their radios and television sets and mutter approval and seethe in malice. Then some psychotic soul takes it seriously enough to pick up a gun and, put words into action. It is time we Americans grew up. When they are crossed, little children blaze out in violent words and action. But when we grow up, we are to put away childish things.

It is time to practice our Christianity and to remember that in His Sermon on the Mount, Jesus declared that a person sins in thought and word as well as in deed: "You have heard that it was said to the men of old, you shall not kill, and whosoever kills shall be liable to judgment, but I say to you that every one who is angry with his brother shall be liable to judgment; and whoever insults his brother shall be liable to the council, and whosoever says, 'You fool' shall be liable to hell fire."

Message of Bishop EDWIN R. GARRISON.

A TRIBUTE TO JOHN F. KENNEDY

(By John Wesley Lord, bishop, Washington D.C., area, the Methodist Church)

By invitation of his brother, the Attorney General, I attended the funeral service of the late President John Fitzgerald Kennedy at St. Matthew's Cathedral in Washington, D.C. The universal sadness that had cast its pall over the entire world seemed focused there as members of his family, heads of state, Government officials, and friends bowed in unutterable grief. President Kennedy had lived to serve this age; now he was being given to the ages.

Methodists around the world mourn the death of a great and good President. Though it came suddenly and tragically by the hand of an assassin, his death places upon all of us the burden of achieving the suffrage of the free human spirit to which President Kennedy was committed. He will be remembered as a man of deep religious faith, articulate intelligence, and redoubtable courage. A kindly, peace-loving man, he nevertheless dared to risk a nuclear war when his conscience clearly dictated this to be the only way of meeting a threat to our national security.

With his well-trained, disciplined mind and an inner security born of deep spiritual resources, President Kennedy never lost faith in the ultimate integrity of humanity. He believed that, in a world filled with malice, there could be a meeting of minds among people of differing ideologies; that there was no gulf that could not be spanned, given

time, patience, and intelligence; that men not under the stress of fear still can control events; and that right will triumph.

On June 10, 1963, the President delivered a historic commencement address at Methodist-related American University in Washington. He spoke on strategy of peace, directing his message to those who say it is useless to speak of peace or world law or world disarmament until the leaders of the Soviet Union adopt a more enlightened attitude. It was his conviction that we could show the way for the Soviet Union to adopt that attitude.

The President urged also that we rethink our attitudes toward peace itself. To believe that peace is impossible or unreal is dangerous and defeatist. This leads to the conclusion that we are gripped by forces we cannot control. But we need not accept that view. Man's reason and spirit often have solved the seemingly insoluble, and they can do it again.

These are the thoughts and this is the faith of a man who had not lost his belief in the essential goodness and reasonableness of humanity. He was a lover of peace, which he defined as a process, a way of solving problems, requiring only that men live together in mutual respect. Against a heritage of hate, the late President bequeathed his country and the world a new heritage of mutual toleration, in which may be found peace with justice.

The President concluded his American University address with a verse from the 16th chapter of the Book of Proverbs: "When a man's ways please the Lord, he maketh even his enemies to be at peace with him." On occasion he would call to the White House the religious leaders of the Capital Area. Implied and often expressed in these briefings was the truism that the real problems the Nation faced were not so much political or military as they were spiritual. It was the task of religion, he indicated, to create the climate in which real solutions could be found.

It will be the verdict of history, I expect, that President Kennedy was a champion of the unprotected. No occupant of the White House felt more deeply the burden of the dispossessed. He knew that indifference to suffering is the explosive factor in history; and against tremendous odds and apathy, he championed the cause of civil rights for all men everywhere.

In the slow task of building a world community, he was ever on guard that our country's rightful concern to preserve national security and national values did not betray our international responsibilities. He sensed so clearly the terrible travesty of our times: that there may be more substance in our animosities than in our love, and that we have learned to hate better than we have learned to love. As he said in a late 1961 speech, "Let our patriotism be reflected in the creation of confidence rather than in crusades of suspicion."

Some 200 years ago, John Wesley wrote: "He who governed the world before I was born shall take care of it, likewise, when I am dead * * *. My part is to improve the present moment." Man of peace, guardian of the unprotected, lover of mankind, John Fitzgerald Kennedy will be remembered as a man who indeed did improve the present moment.

THE GIFT OF A MAN—A PROTESTANT INTERPRETATION OF THE LIFE AND DEATH OF JOHN F. KENNEDY

(By Bishop James K. Mathews)

(NOTE.—An address presented at the interdenominational service at the Washington Cathedral on November 24 in memory of the late John Fitzgerald Kennedy, President of the United States.)

Today, Americans can have but one thought; for we have been present at a new

crucifixion. A people who could endure the villainous murder of Medgar Evers without undue remorse, who could observe the slaughter of the innocents by a bomb in a Birmingham church and not really cry out for justice, have called for a yet more costly sacrifice—that of the President of their country. Truly, then, Americans are weeping not only for him but for themselves.

We react, indeed, in anger and sorrow; but do we react sufficiently in repentance? To fall to miss the message of God in this tragic hour would be to allow yet another martyr to have died in vain.

For martyr he was, as surely as those who have died for their vision in earlier ages: a martyr at the hands of extremists of every kind, as well as at the hands of the comfortable captives of the status quo which most of us have become; a martyr to those who enjoy prejudices a century out of date, and those who refuse to live in the day which God has given to us.

To take seriously the death of a martyr is to take the meaning of that death upon ourselves. For in his mortal wound is our own hurt and the hurt of all mankind.

We are a proud, and even arrogant, people who have told ourselves that this sort of thing could not happen here. In more primitive periods of our history, yes. Among more primitive peoples even today. But not here. What could not happen has happened and it has happened to us all.

More than this, all of us have had a part in the slaying of our President. It was good people who crucified our Lord, and not merely those who acted as His executioners. By our silence, by our inaction, by our willingness that heavy burdens be borne by one man alone, by our readiness to allow evil to be called good and good evil, by our continued toleration of ancient injustices, by our failure to address ourselves to this day—by these means we all have had a part in the assassination.

In particular measure, we of the church must bear a heavy share of responsibility. For we are those who speak for God. We are His people and the sheep of His pasture. We are the Body of Christ, which bears His wounds. We are sentinels of civilization, but we have failed to sound the alarm. We have been conformed to the social order we were supposed to have informed. Alas, the garments of the slayer are at our feet. Therefore, "the time has come for judgment to begin with the household of God."

Our Lord says: "Every one to whom much is given, of him will much be required." This word of God is a summons to accountability, just as the events of these days are a summons to accountability. For all too long now we have not been called to account: either to one another; or to the world; or to God. We have been ready to receive abundantly of God's grace, but it is when the demands of that grace are upon us that we fail to measure up.

We call this Thanksgiving Sunday, when we are supposed to acknowledge the mercy of God. It is not really a question of whether or not it is proper for us to celebrate Thanksgiving at such a tragic hour as this. The fact is that we as a people have allowed Thanksgiving, as a significant day, to be lost long ago. It has been reduced to feasting and football. It has become "a pleasant interlude between leaf-raking and snow-shoveling." This holiday, far from being a holy day, has become a hollow day. Having eaten our fill, and that in the midst of a hungry world, we are left with an empty feeling.

Fundamentally, we have been seized by a forgetfulness of nationwide proportions. Abraham Lincoln told a war-torn Nation in his Thanksgiving Proclamation in November 1863: "We have forgotten the gracious Hand which has preserved us in peace and multiplied and enriched and strengthened us, and have vainly imagined in the deceit-

fulness of our hearts that all these blessings were produced by some superior wisdom and virtue of our own. Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving Grace, too proud to pray to the God that made us."

If this was true then, how much more is it true today, exactly 100 years later? So it was that in President Kennedy's Thanksgiving Proclamation of November 1963, he said: " * * * as we express our gratitude, we must never forget that the highest appreciation is not to utter words but to live by them. Let us therefore proclaim our gratitude to Providence for manifold blessings—let us be humbly thankful for inherited ideals—and let us resolve to share those blessings and those ideals with our fellow human beings throughout the world."

Yes, we have been seized by forgetfulness. No wonder we debate about our national purpose. No wonder we worry about what other nations shall think of us as a people. Is it not here that we have lost our way? We have forgotten who we are. We have forgotten whence we have come. Therefore we do not know where we are going.

"Much has been given to us," yet we have been a thoughtless and thankless people. I do not mean merely that we have been given abundant harvests and a proud heritage. These, we have come to take for granted. Rather, we have been given a man. And this man has been, in an astonishing way, a symbol of the changing world in which we live, a constant flowing river of change which has not left any part of earth untouched.

For John Fitzgerald Kennedy represented and embodied a brandnew world. Indeed, he grasped for it by means of the image of the New Frontier, not merely as a political implement, but as a present reality. So radically has the whole climate of mankind changed that one could almost say that a person living at the beginning of this century would have been more at home in Julius Caesar's time than in our own. This cultural revolution in which we find ourselves was that for which our late President stood.

Again, he made valiant efforts to give a new sense of mission to us as a Nation. This does not mean that he solved all our problems for us but that he was, by virtue of office and by deliberate intent, in the very middle of the dramatic struggles that characterize our age. This sense of mission, involving the welfare of all civilization, has scarcely ever been as well articulated as it was in his inaugural address. Nor has a more imaginative token of it been created than the Peace Corps. So it was that one Peace Corps volunteer said last Friday, "I myself am a part of the legacy he left to the world." Young Americans, in particular, seemed to catch what this man symbolized.

Moreover, he invited and encouraged a new human dignity—a freedom for man now. If this was to have meaning, through Americans, throughout the world, it had to have substance now within our own borders. Therefore, the Negro citizens, patient for a hundred years, were encouraged by President Kennedy to become a new people. That is to say, they have decided to be the free people our Constitution and the Gospel of Jesus Christ say they are. When men determine to be free, there is an unanswerable quality about their determination.

From the Hebrew-Christian perspective, all of this is the work of God. For God is a God who acts in history; indeed, who makes history and gives meaning to human events. The President saw precisely this when he declared, "Here on earth God's work must truly be our own."

We have assuredly been given much in our day, but some factors in our national life have said "No" to it all. They have said

"No" to a brandnew world; "No" to national involvement in the whole process of civilization; "No" to the fulfillment now of human dignity. For all this, the high price of martyrdom has been paid. A martyr is, literally, a witness, and this is the witness we have been given.

Great gifts demand great responsibility. For "every one to whom much is given, of him will much be required." What, in the light of this sacrifice, does the Lord require of us? All human kind will be watching what we do in response, for when a people takes its own history seriously, every man's history is involved.

First of all, we, who have been forgetful are called to recollection and return. We have come to take God for granted, have tried to encase Him in the past and to capture Him in our creeds. Meanwhile, He is at work, as always, in the present orders of society.

Let us recall that we are a people by heritage dedicated to law and order and to equality under law. This was by specific intent. For 343 years ago this very week, the Pilgrims landed on Cape Cod. Their navigation had been faulty, and they had missed the territory for which they had been granted authority. Some of the colonists considered that they were, therefore, under no law. Then, by deliberate act, they made themselves equal under law, by creating the Mayflower Compact. In this they promised to "covenant and combine ourselves together into a civil body politic, for our better ordering and preservation and furtherance of the ends aforesaid; and by virtue hereof to enact, constitute and frame such just and equal laws, ordinances, acts, constitutions, and offices, from time to time, as shall be thought most meet and convenient for the general good of the colony, unto which we promise all due submission and obedience."

They were, therefore, a covenanted community: in acknowledging God, they acknowledged one another. By self-conscious promises, each held himself before God as responsible to his neighbor in a common endeavor. We are summoned by the martyrdom of our President to renew such a covenant of equity, under law, which is basic to any true community.

Secondly, in the light of this sacrifice, we are called to receive the very realities which it symbolizes. Therefore, we must embrace this new world of radical change and possibility. For it is offered to us as the gift of God.

Moreover, if this is to be a meaningful sacrifice, we are called as a people deliberately to involve ourselves in the whole enterprise of humanity. For, in a degree unparalleled in earlier centuries, we owe ourselves to the world. Merely to preserve ourselves as a nation is to lose our identity. But to give our lives in the service of total civilization is to find ourselves. For it is only in our mission together that we are a nation.

Again, in view of this martyrdom, we are called to a deepened fulfillment of the dignity of every person. There can no longer be any second-class people of any kind, anywhere. Only through acknowledging this dignity for all—without any exception—can any one of us possess dignity himself. So it is that integrity may return to us and we can be the nation we have pretended to be.

What I have said is that we have been present at a new crucifixion and that we all have, in fact, contributed to it. Our crucified Lord enables us to understand the cruciform nature of all human existence, and He endows even the most senseless event with cosmic meaning. But the Christian is not allowed to speak of crucifixion without speaking also of resurrection. This can only be realized by our embodying, as living sacrifices, that which was embodied by the one who was slain. That is to say, we

are to confront life and the world with a new openness, a new awareness of our true identity and responsibility as a nation, and a new readiness to acknowledge the validity of every human being.

Finally, let us receive the torch that has been "passed" to a new generation of Americans. "For this generation," as John Fitzgerald Kennedy himself so clearly expressed it, "would not exchange places with any other people or any other generation. The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it—and the glow from that fire can truly light the world." That never-dying torch has now been lighted by a martyr for his people. For this man not only uttered words but lived by them. "Every one to whom much is given, of him will much be required." Amen.

TAX REDUCTION AND BALANCE OF PAYMENTS

Mr. ANDERSON. Mr. President, last Saturday Robert M. McKinney, former Ambassador to Switzerland, editor and publisher of the Santa Fe New Mexican, and now executive officer of the Presidential Task Force on International Investments, addressed a joint meeting of the New Mexico Press Women's Association and Sigma Delta Chi at Albuquerque, N. Mex. In his talk Ambassador McKinney discussed the effect that tax reduction could have upon our balance of payments by the stimulation of our own economy. I ask unanimous consent that his remarks be printed in the RECORD.

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

THE U.S. BALANCE OF PAYMENTS: A 1963 YEAREND BALANCE SHEET (By Robert M. McKinney)

We have been reading a great deal about the U.S. balance of payments recently and we are likely to encounter it even more often in the months and years ahead. Balance-of-payments considerations have played an increasingly important role in foreign policy decisions and in domestic decisions as well. For that reason I think it might be helpful if I took a close look at what our balance of payments is, why it is important, what is being done about it, and what the outlook is for the future.

WHAT THE BALANCE OF PAYMENTS IS

Our balance of payments is a running account of our international economic relationships with other countries. It is a summary of all our international transactions with foreigners—imports, exports, investments, defense and foreign aid payments, tourist travel, and other payments and receipts.

A balance-of-payments account reflects the flow of money payments to and from any particular country over a particular period of time—usually one quarter or 1 year. It is frequently summarized as a single figure, either deficit or surplus. When the U.S. balance of payments is in deficit it means that we are paying out more money to foreigners—either in private and Government transactions or both—than they are spending here.

These U.S. deficits are settled either by foreign purchases of U.S. gold or by foreign retention of dollar assets. In other words, the net U.S. dollar payments abroad can be held entirely in the form of dollars by foreigners, or, alternatively, foreign monetary authorities can exchange some or all of those dollars for gold. The United States, of course, buys or sells gold freely to foreign central banks

and other institutions for legitimate monetary purposes at the fixed price of \$35 an ounce.

That standing pledge to exchange dollars freely for gold has made the dollar as good as gold in international markets; partially this accounts for the popularity of the dollar as a reserve currency. So popular, in fact, is the American dollar, that the nations of the free world own far more of their reserves in dollars than they do in any other currency. That, of course, is an impressive vote of confidence in the dollar. It has to do not merely with the fact that the dollar is freely exchangeable for gold, but chiefly with the confidence foreigners place in the soundness of the U.S. economy. For when foreigners voluntarily hold dollars they are, in effect, extending to the United States loans in the form of bank deposits or short-term securities; in either form, they represent potential claims on our gold stock.

I think it is important to make one thing crystal clear: a balance-of-payments deficit does not necessarily mean that our international net worth is declining. The United States, in fact, almost consistently lends more abroad than our entire balance-of-payments deficit, and it is for this reason that our net worth as a nation has continued to rise, not fall.

But, over the years, we have been lending extensively on private and public account on a long-term basis and borrowing largely at short term so that our balance of payments, as measured by changes in our gold stock and in our liquid liabilities abroad has been in deficit.

Quite literally, our accounts at some point will have to be restored to balance. While there is no time to waste in moving toward balance, neither is there any cause for panic. Our position is still strong, we still hold almost 40 percent of free world gold stocks and we have time to make an orderly adjustment.

WHY THE BALANCE-OF-PAYMENTS PROBLEM IS IMPORTANT

Some people feel that the balance of payments is merely a technical problem for Treasury and Federal Reserve officials to deal with in a vacuum, and that there is no need to take account of it when considering other domestic or international issues. But this is not the case. To understand why the balance of payments is a vital part of American policy it might be helpful to take a quick look at some recent history.

Immediately following World War II we heard a great deal about the so-called dollar shortage. This referred to the fact that the United States had been exporting more than it had been importing and as a result foreigners would not have enough dollars to purchase U.S. goods. However, with the startling economic recovery of Western Europe early in the last decade, the picture began to change. In addition, as the cold war required increased U.S. Government spending abroad to help our security at home the United States developed a significant deficit in its balance of payments.

Actually, since 1950, the U.S. balance of payments was in surplus in only 1 year, 1957, and that was largely the result of the sudden and temporary increase in exports because of the closing of the Suez Canal.

For the 7 years before 1957, there had been a steady string of payments deficits averaging \$1.5 billion a year. Factors contributing to these deficits included the Korean war, U.S. aid to Europe under the Marshall plan during part of that period, steadily rising military expenditures overseas, and rising long-term U.S. private investment abroad.

In the 3 years following 1957, the deficits rose steeply, averaging \$3.7 billion. The 1958 and 1959 deficits reflected a sharp drop in U.S. merchandise exports with the passing of the Suez crisis and, in 1959, a spurt in im-

ports as Europe regained its competitive position. The record deficit of \$3.9 billion in 1960 was associated with the emergence, in addition, of a large outflow of U.S. short-term capital abroad.

Also, of course, during that 3-year period there was a sizable gold outflow from the United States, as foreign governments preferred to exchange many of the new dollars coming their way to build up the gold reserves of their own central banks.

Our basic balance-of-payments position has been improved since then, but it still remains a serious problem and the subject of a broad and vigorous program to reduce and eventually eliminate it.

WHAT IS BEING DONE ABOUT OUR BALANCE-OF-PAYMENTS PROBLEM

Granted that our continuing balance-of-payments deficits and the gold loss which has resulted from them represents a problem which cannot be overlooked. The question is, what are we doing about it?

Is there a quick way to end the deficits?

Is there a shortcut to stopping the gold drain?

All of us hear pronouncements or opinions that a dramatic solution to the problem lies readily at hand, if only we had the sense—or as some would put it the courage—to grasp it. If only we were to cut out foreign aid, or bring back our troops from abroad, or restrict American tourist travel abroad, or shut out imports by restrictions or high tariffs, or clamp controls on foreign investment, or raise interest rates sharply, or even refuse to sell gold—then all would be well—so we are often asked to believe. But, in fact, most, if not all, such measures would prove illusory. Much of our foreign aid, for instance, is in the form of U.S. exports and does not add to our deficit. I do not doubt for a moment, however, that some of those actions, alone or in combination would, at least temporarily, stop the gold drain in its tracks. But, they would do so by evading, rather than curing, the real problem.

Our task is not simply to stop the gold drain, regardless of consequences for ourselves and our allies and trading partners. Instead, we have a much harder, longer, and more complicated task of seeking balance in ways, consistent with prosperity and expanding trade among nations and our national security.

Quite simply, we cannot take refuge in measures that will add to unemployment and waste resources at home. We cannot simply increase tariffs or put direct controls on trade and investment. Such measures would not only invite retaliation from abroad and worsen our position; they would undermine the very objectives we have sought throughout the postwar period—an expansion of trade among nations and the elimination of barriers to the free flow of funds. Nor can we afford to undermine the effectiveness of programs so vital to our own national security and to that of our friends as are our foreign aid and defense programs.

These are the kinds of limitations within which we must work to achieve what would deserve to be called a real solution—any other approach would, in a real sense, represent not success but failure.

Before looking at some of the things we are doing, I would like to look at the three main parts of our balance of payments.

By far the most important in terms of the total dollars and cents involved are our current transactions in trade and services with other countries. The United States, almost throughout the whole postwar period, has had a sizable surplus of exports of merchandise over imports. We also have a surplus in so-called service transactions—including particularly our large and growing return flow of earnings (dividends and interest) from our \$60 billion of private investments abroad. That figure alone has climbed

to a rate of about \$4 billion a year. Overall, our surplus on all our current commercial transactions has been running between \$4 and \$5 billion—even without counting any of the exports generated directly by our aid program.

But, while we still have a large surplus on these accounts, it is clear that our position is quite different from what it was during the postwar years. Then our sales abroad were limited only by the money available to other nations desperately trying to rebuild their economies. In a sense, the United States in those days—as virtually the only supplier in the world of many goods—could not have a real balance of payments problem: whatever dollars we paid out would quickly turn right around and come back to us in payment for purchases of U.S. goods by foreigners.

Today the situation is very different. Almost all the goods we have for sale are actually or potentially available elsewhere; other nations are able to compete vigorously not only in foreign countries, but even right here in our home market. We are having to learn again the hard lesson that, in order to sell abroad, we must be able to compete effectively in terms of both price and quality. That our position is far from weak in this respect, our persistent trade surplus shows. Nevertheless, this surplus has not been large enough to offset the drains in the two other main areas of our balance of payments.

The first of these reflects our heavy Government expenditures abroad, primarily for defense and economic aid. Today, however, over three-quarters of all our aid is being provided in the form of goods and services rather than dollars; to that extent it is directly reflected in our exports and places no burden on our balance of payments.

The drains from defense have been large. On a gross basis we spend about \$3 billion abroad for defense each year. These expenditures are now offset to the extent of over \$1 billion by purchases of military equipment in this country by some of our European allies who are now in a strong financial position—notably West Germany. But in 1962, this still left us with a net defense drain approaching \$2 billion. In total, Government expenditures abroad have been absorbing over \$3 billion of our current surplus.

The remaining major item in our balance of payments—investment flows—have also presented a special problem. On the average in recent years, American business has been lending over \$2 billion a year abroad in the form of purchases of new securities or in the form of direct investments in foreign manufacturing concerns—until this year mostly the latter. In addition, from 1960 to 1962, another \$2 billion a year or so was flowing out in the form of short-term investment abroad.

It is this sector of our accounts that was responsible for the deterioration in our balance of payments during the first half of this year. For example, in the second quarter of 1963, the balance-of-payments deficit ran at about \$5 billion at an annual rate. In particular, purchases of new foreign securities accelerated sharply to a rate of roughly \$2 billion a year. Meanwhile, foreign long-term investment in the United States has recently been running at a rate of only about \$350 million per year.

This, then, is the rough overall dimension of our problem. Our current commercial surplus of \$4 to \$5 billion, half on trade, half on services, is more than offset by net Government expenditures abroad of about \$3 billion and over \$4 billion in recent years, over \$5 billion at an annual rate during the first half of the year.

Our efforts to eliminate the deficit—and thus remove the basic cause of the gold drain—have been directed toward improvement in all three of these areas. We have

adopted a combination of long- and short-term measures to do the job.

WHAT IS BEING DONE TO EXPAND EXPORTS

We have neither the desire nor the intent to limit imports to the United States by erecting artificial barriers to the products of other nations. Our goal instead has been to increase our export capability—and this means stable prices, knowledge of potential markets abroad and their special needs, and well designed products that meet those needs. And behind this must be an efficient industry—an industry able to keep at the very forefront of the latest technology, to produce efficiently and to pour out the kinds of new products the world wants.

This is one reason why we have placed so much emphasis on tax reduction to stimulate business investment in modern and more efficient equipment—for if we fail to maintain our leadership here, we cannot expect to compete effectively. The tax depreciation reforms and the investment tax credit undertaken last year were needed steps in that direction, and this year's program of tax reduction is another.

In the process of achieving faster growth and a more efficient industry, the need for stable prices cannot be forgotten. We have been doing relatively well in this respect—since 1958 our wholesale price index has not budged at all. But we must make sure that we maintain that record as our domestic economy expands. It is to assist in this process of maintaining price stability as we move ahead that the administration has placed so much emphasis on price and wage guideposts—not to dictate decisions, but to suggest how the public interest in patterns setting price and wage decisions can be gaged. In essence, wage increases within the bounds of the average trend of rising productivity will permit a rise in income for both labor and capital. But, only as those increases are earned by greater efficiency can we move forward without jeopardizing overall price stability.

Meanwhile, many more specific actions have been undertaken to improve our export performance. Over the past 2 years, export credit facilities have been developed and expanded to the point that American exporters are, in that respect, on a comparable footing with their foreign competitors. A major effort is underway in the Department of Commerce to step up marketing information to businessmen, and to expose foreigners to American products. Many American firms are for the first time being made aware of the vast potentialities of foreign markets, and are being given the kind of information they need if these markets are to be penetrated successfully. A White House Conference on Export Expansion was held in Washington last September, as the Government enlisted enthusiastic support and advice of the leaders of American business. All these measures, however, will take time to be fully effective, and we can't forget that our foreign competitors—who have long been schooled in the philosophy of "export or die"—are working equally hard.

But signs of progress are appearing—certainly our price performance compares favorably with the countries of Europe. And in time, an expansion in exports can go a long way toward curing our problem in the best manner.

WHAT IS BEING DONE TO HOLD DOWN GOVERNMENT SPENDING ABROAD

Meanwhile, action is being taken to achieve early reduction in the net outflow of Government funds. Through our own economies, and by means of the arrangements with some of our allies to purchase additional military equipment and supplies from the United States, the dollar drain from the mutual defense effort has been substantially reduced since 1960. Further

savings are in store; administration measures are expected to achieve reductions of a further \$500 to \$600 million by January 1, 1965.

Roughly, 80 percent of our foreign aid during fiscal 1963 was committed in the form of American goods and services, rather than in the form of dollars. That percentage is being stepped up, so a reduction of around \$300 million can also be achieved in this area. All other Government expenditures abroad are receiving the sort of close, tough scrutiny that is needed. Thus the rate of all types of Government spending abroad will thus be reduced by \$1 billion by the end of next year.

WHAT IS BEING DONE ABOUT FOREIGN INVESTMENT

The third broad area—investment flows—is in some ways the most difficult to deal with effectively. First of all, as many have pointed out, foreign investment in the long run is not a source of weakness but of strength. It returns important benefits to this country. And it is also vitally important to other countries short of capital, and dependent on access to the U.S. market to get it. Clearly, it is not in our interest, or in the interests of the world at large, for the richest and most powerful nation in the world simply to cut off the flow of capital to others.

At the same time, it is clear that to have these flows continue at a rate that would ultimately weaken the dollar itself serves the interest of no one—certainly not the United States, and not those other countries with a stake in a stable international payments system, which in turn rests so heavily on a stable dollar. And, when capital flows increased so sharply and abruptly this year, without any clear signs of a decline to the already large levels of previous years, action was clearly needed.

Basically, of course, money flows from free international capital markets to areas of the world where the returns to investors appear most promising—whether those returns are expressed as interest rates, or, as in the case of direct investments, as profits. In recent years, the investment opportunities in the rapidly growing Common Market, in Europe generally, and in Japan have been particularly attractive. At the same time, our own growth in the United States has been relatively slow, profits have been less buoyant, and investment opportunities more limited. In the face of our huge flow of savings, and with unemployment a problem, our domestic U.S. interest rate structure has been relatively low. Thus, it is quite natural that capital has flowed abroad in volume. In the end, a large part of any solution must be found in a more dynamic, rapidly growing domestic economy, more attractive to domestic and foreign capital alike.

This is the essential reason why we believe the current tax bill is so important, not only for domestic reasons, but also for the balance of payments.

Tax reduction, however, offers an opportunity for meeting our domestic goal of fuller employment at the same time we make this country a more attractive place to invest in. And, as American industry returns closer to full capacity operations, rising interest rates will be a quite normal and healthy response to natural market forces, that is, a rising demand by consumers for goods, and by business for additional plant equipment and capital. At the same time, tax reduction will give our monetary authorities the leeway they need to conduct monetary policy in a manner best calculated to benefit our balance of payments without damaging our domestic economy made more dynamic and growth oriented through the improved tax structure.

But we cannot expect this process to work miracles overnight. And, as I pointed out a

moment ago, the problems in this area became particularly critical over the first 6 months of this year.

There was a sharp improvement in the third quarter, but in the fourth quarter this improvement is slackening. Moreover, there is one important aspect of this matter that is beyond our control. With rare exceptions, capital markets abroad have simply not been developed to the stage that they are able to serve fully their domestic needs, much less those of other nations—even when large balance-of-payments surpluses provide the capacity for foreign lending. Many foreign capital markets are still subject to controls; their rate structures are high and rigid. The result is that even an increase in the profitability of American industry, or a rise in interest rates within the range of our past experience will not alone prevent from converging on our market demands for investment capital from all the world—although these factors are of course essential preconditions to a fully effective and lasting solution.

It is to meet this situation that an interest equalization tax has been proposed. This tax is equivalent to 1 percent of the interest return on a foreign bond purchased from a foreigner, or to 15 percent of value in the case of stock. The purpose is quite simple: to increase the cost of foreign borrowing in our market in a manner similar to a rise in our domestic long-term interest rates—an interest increase of such a magnitude that it would simply not be practicable today. The tax would bring the cost of foreign borrowing in our market into rough alignment with those in other leading countries, thus encouraging borrowers in those countries whenever possible to seek more of their funds at home. The tax would achieve the purpose of sharply reducing the outward flow of capital in a way that would not intrude into individual negotiations between borrowers and lenders, and without in any way restricting the free use of dollars.

As you can imagine, this step to use the taxing power to reduce investment flows was taken with the greatest reluctance, but the need was clear. The tax will be abandoned as soon as the two basic problems that led to the need are concerned—that is, just as soon as the capital markets of other countries are able to operate more effectively and at lower rates and/or as soon as increased growth in the United States is reflected in greater relative attractiveness of investment here.

The interest equalization tax passed the House Ways and Means Committee by voice vote—a fact that indicated the broad support the measure had in the committee. It is expected to pass the House soon after Congress convenes next month, and it will then go to the Senate Finance Committee. That committee is expected to take it up shortly after completing work on the domestic tax program.

Our task force on promoting foreign investment in U.S. corporate securities—the creation of which was announced at the same time as this tax—will, we all hope, contribute to shortening the life of the tax.

This task force on which I serve has three objectives:

- (1) To identify and appraise the restrictions remaining in the capital markets of other industrial nations of the free world which prevent the purchase of American securities and which hamper U.S. companies in financing their operations abroad from non-U.S. sources; (2) to review U.S. Government and private activities which adversely affect foreign purchase of the securities of U.S. private companies; and (3) to plan a broad and intensive effort by the U.S. financial community to market securities of U.S. private companies to foreign investors, and to increase the availability of foreign financing for U.S. business operating abroad.

The increased freedom of capital movement and increased participation by foreign citizens and financial institutions in the ownership and financing of American business, towards which these efforts are directed, will serve to strengthen the economic and political ties of the free world as well as its monetary system. Securities of U.S. private firms could be and should be one of our best selling exports. An increasing foreign investment in these securities will encourage a more balanced two-way capital traffic between the United States and other capital markets and minimize the impact of net long-term capital outflows from the United States on our balance of payments.

OUTLOOK FOR THE FUTURE

I am happy to be able to report that as a result of the proposed interest equalization tax, together with the increase in the rediscount rate by the Federal Reserve Board last July, as well as several other factors, our balance-of-payments deficit for the third quarter of this year was the lowest on record since 1957. Preliminary indications are, however, that the fourth quarter of 1963 will see the U.S. balance of payments of deficit beginning to climb back up again—particularly in the area of short-term capital movements.

As I mentioned earlier, the sale of new foreign securities—before the interest equalization tax was proposed—played an increasingly important part in the U.S. balance-of-payments picture. The increase in our deficit on regular transactions both in 1962 and the first half of 1963 was due almost entirely to this swelling outflow of capital into new foreign securities. While our deficit on regular transactions increased by \$530 million in 1962 compared to the previous year U.S. purchases of new foreign issues grew by \$550 million. During the first 6 months of 1963 the increase of about \$850 million, at an annual rate, in new foreign issues purchased by Americans was also roughly equal to the increase in our deficit on regular transactions.

After the President's announcement of the interest equalization tax this outflow was sharply curtailed. In the third quarter of this year, U.S. purchases of new foreign securities fell to a seasonally adjusted level of about \$200 million compared with almost \$500 million in each of the previous quarters. Moreover, virtually all of these purchases reflected transactions which had been completed or firmly committed before the proposed July 18 effective date for the tax. In September and October this flow has been very much smaller and well below the levels of 1959-61. So far as we know, no sizable new commitments have been undertaken since July 18.

There was also a substantial improvement in our short-term capital account in the third quarter, with the net outflow on account of short-term bank credits falling from a seasonally adjusted level of almost \$500 million in the second quarter to zero. Short-term capital movements are, of course, notorious for making large swings in either direction in a short period of time and it is always difficult to attribute a cause for these swings. However, the increase in the Federal Reserve discount rate in July was undoubtedly an important factor. In addition, it seems probable that this improvement also reflected generally increased confidence in the dollar as a result of the vigorous further measures to correct our balance-of-payments deficit which were announced in the President's July message.

I cannot promise you that this improvement will continue or that you will not be reading about the gold problem and the balance of payments for some time to come. Quite the contrary, for this is a stubborn problem, and will require our best efforts before it is finally overcome. Certainly we

are on the mend and the situation has improved remarkably in recent months, but a lot of hard work remains to be done before we reach a lasting solution.

The thought I would like to leave with you is that of all the measures to improve our balance of payments perhaps the most decisive, the most important is not an international measure at all but a domestic measure. I refer to the pending income tax reduction program. This measure, of course, was designed primarily to benefit the domestic economy. One of its most important effects, however, will be to foster a higher level of productive investment in the United States.

Thus, by enabling our producers to more effectively meet foreign competition, it will make a direct contribution to increasing our export trade and to reducing the deficit in our balance of payments. Secondly, as our economy expands more rapidly, the United States will become a more attractive and a more profitable haven both for domestic and foreign private capital.

It is no exaggeration to say that the tax program, which is principally aimed at assisting the domestic economy, may well have just as beneficial an effect upon the international economic position of the United States as it does upon the domestic position. The longrun benefits from the tax program, together with the results of all the other programs designed to reduce and eventually eliminate the deficit in our balance of payments, hold an excellent promise for eventually providing a lasting solution for this delicate and difficult problem.

FEDERAL ECONOMY

Mr. McGEE. Mr. President, the Federal Government performs many useful functions. It also fulfills another role which is completely undeserved, that of whipping boy for those who seek simple solutions to complex problems.

It is certainly much easier, in an argument, to lean on false statistics and unfair comparisons than it is to admit that the civil servant is indeed serving the needs of our Nation with dispatch and efficiency. The problem is that the continued stream of nonsense about our Federal Government can erode not only the concepts of public service that are vital to a democracy but can lead to unfair and unequitable treatment of the people upon whom we depend for the continuation of our Government.

An excellent appraisal of the difficulties facing the civil servant appeared in yesterday's Sunday Star. This article was written by one of the most perceptive and articulate men ever to serve this Nation, former Postmaster General J. Edward Day.

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

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

FEDERAL ECONOMY, YES; PENNY PINCHING, NO
(By J. Edward Day)

(NOTE.—Mr. Day, who has been Postmaster General of the United States, insurance commissioner of Illinois, and a top life insurance executive, is now practicing law in Washington.)

Professor Parkinson's law cites the alleged tendency of paperwork organizations to keep growing needlessly and to manufacture more paperwork to keep the enlarged organizations busy.

Editorial writers and chamber of commerce speakers love to cite this to deride and scoff at the Federal Government establishment. According to them, the size of the Federal payroll is increasing by leaps and bounds. These speeches and editorials claiming that the total number of Federal employees is getting completely out of hand have been repeated so many times they have been accepted as gospel. With the charges about supposedly inflated payrolls go companion charges that a huge number of Federal employees are unnecessary, that Federal employees do not work very hard, and that the level of competence, dedication, and performance among Federal personnel is lower than in the private sphere.

These are unfair and untrue charges which undermine the proud status of the Federal professional career.

While total Federal employment has had minor ups and downs in the last 20 years, the fact is that it has remained amazingly stable despite huge growth in population and economic activity and despite a resulting incredible increase in workload.

There are, in fact, fewer Federal civilian employees today than there were in 1953—or even than there was in 1946, after World War II had been over for a year. Not only has Federal civilian employment actually gone down in total numbers as compared with 1953 and 1946, but the relation to total population has gone down in an even more startling way.

FEDERAL FIGURES

In 1946, 19 people out of every 1,000 were civilian employees of the Federal Government. In 1953 the figure was 17 out of 1,000. Today the figure is only 13 out of 1,000.

Many of those who talk, quite inaccurately, about a big increase in Federal employment like to say that the trouble is that not enough Government functions are turned over to the States and to local governments. But let us see what has been happening to these other levels of government.

Between 1946 and 1963, when Federal employment went down, employment by State and local governments went up by 3.5 million people. Population and economic growth has forced immense increases in State and local government employment. But for some reason, there is an irrational belief in many quarters that any increase in Federal Government staffing comes from sinister causes.

In the fiscal year ending June 30, 1963, if Federal civilian employment had increased at the same rate as employment by State and local governments it would have gone up by 100,000. In fact, it grew by only 5,600.

And yet people who have responsibility for making the Federal Government function must face up to the fact that steady increases in workload cannot be absorbed without staffing adjustments.

AUTOMATIC INCREASES

As President Eisenhower said in his 1960 budget message to Congress: "We must not forget that a rapidly growing population creates virtually automatic increases in many Federal responsibilities."

Here are some examples of what President Eisenhower was talking about: Between the fiscal years 1962 and 1964, the number of veterans or survivors receiving pensions will rise by 11 percent; the volume of mail will grow 6.4 percent; aircraft landings and takeoffs at airports with Federal towers will go up by 12 percent; beneficiaries under the social security program will increase by 15 percent; the number of patents granted will rise by 17 percent; and passports issued will increase by 27 percent.

Of the 2.5 million Federal civilian employees, 1 million are employed by the Defense Department, about 600,000 by the Post Office (there were 150,000 postal employees in 1890 to handle one-sixteenth as much mail as now) and about 175,000 by the Veterans' Ad-

ministration. Everything else that the Federal Government does is accomplished by 700,000 employees, fewer than are employed in the telephone industry.

Hand in hand with the unjustified charges about staffing the Federal Government go equally untrue charges that Government personnel are just easygoing bureaucrats who don't work as hard or as well as people in private industry or private professional life.

That attitude is just 1,000 percent wrong.

BUREAUCRACY CHARGE

W. H. Ferry, director of the Center for the Study of Democratic Institutions, has said:

"A cherished corporate legend is that governmental bureaucracy is inefficient, full of featherbedding dullards, and tends toward venality; while the bureaucracy of the large company comprises high-minded and overworked gentlemen, whose eyes are on a brighter star."

"This line is one of the main strands of the political irresponsibility of corporations. Though it might at first glance seem merely an engaging self-deception, it in fact tears away at respect for law and government, the joint creations of people for their own good, and aggrandizes the private company as somehow superior both in aim and practice."

I was a senior officer for 8 years of a giant life insurance company which is the third largest corporation in the world—a fine, well-run, progressive company.

And yet, I can state unequivocally that I have never been surrounded with such talent as I was while serving in the Federal Government. Every day I worked with Federal executives who demonstrated superb imagination, energy, good judgment, and practical idealism.

And they had a further advantage over management and professional personnel in many other large organizations: a sense of humor.

With few exceptions, the Federal executive sees himself in context with the great complicated world we live in; he has a lively interest in new ideas and in wider horizons—and he does not take himself too seriously.

LAW OF TRIVIALITY

There is a second Parkinson law which has an important bearing on the problems of the Federal Government. It is the law of triviality. It might also be called the law of pennywise and pound foolish. It is illustrated by the unwillingness of Congress, while appropriating billions for certain glamorous and highly publicized Government programs, to allow sufficient money for carrying out vital but conventional and unglamorous responsibilities of Government, particularly in the law enforcement and regulatory field.

In Federal spending, billions are authorized for defense, space, foreign aid, and for new highly publicized programs. In September 1963, the House even voted \$190 million for a fallout shelter construction program. But when the established, traditional functions of Government come up for their budget hearings, the pennypinching sets in with a vengeance.

Here is an illustration:

Everyone obviously is against drug addiction. Nearly everyone says why don't we do more about it. No one denies that almost all of the illicit narcotics used in this country are smuggled in from foreign countries. Prevention of smuggling, including narcotics smuggling, is the function of the Bureau of Customs and of that Bureau alone. No other Government agency shares the responsibility for controlling smuggling.

For 14 of the last 15 years the Bureau of Customs has requested additional enforcement personnel citing, among other reasons, the specific problem of narcotic smuggling. What happened to these requests? With the

exception of one token increase of 37 officers, the Bureau's requests have been denied every year and, instead, reductions have been made.

As a result, comparing the Bureau's manpower today with the volume of export and import transactions it is required to handle, it doesn't have one-fourth of the manpower it had 15 years ago.

This means that Customs, with the full responsibility for preventing smuggling of narcotics, is like a man with a short blanket. To keep the head warm it must expose the feet.

EXPANDED WORKLOAD

World trade and travel has expanded almost four times in the last 20 years without any corresponding increase in customs enforcement personnel. The Bureau of Customs and every group which has inquired into this problem has consistently urged an increase in Customs enforcement and investigative personnel.

For an incredible example of triviality or pennypinching in action, I refer you to the printed report of the 1963 House appropriation hearings for the civil division of the Justice Department. Twenty-nine additional positions were requested. There is a whole series of questions from committee members about whether the salary for a GS-12 is \$9,475 or \$9,485. It must have cost many times more than this \$10 difference just to print up this part of the testimony.

WORKERS AND SPACE

New duties are piled on Government enforcement and regulatory agencies without new workers being authorized and without adequate space being authorized.

The Food and Drug Administration has jurisdiction over products which account for 30 cents out of every dollar spent by the American consumer. Any one food (tuna, for example) or any one drug (thalidomide, for example) produced by any one manufacturer may call into action FDA's total resources. Yet much of their most important laboratory research is performed in the sub-basement of a converted garage here.

My point is that we are pennypinching on vital but unglamorous functions of Government. We are all for economy. I, myself, am a firm believer in a balanced budget in times of peace and prosperity, such as the present. But with the enormous commitments for defense, space, grant-in-aid programs, foreign aid, interest on the national debt and the like, there is an unhealthy squeeze on the budgets of conventional Government activities which must have funds for keeping up with increased population and increased workload.

The Defense Department spends about \$150 million a day. We all want a defense position second to none. But we should not let normal civilian functions of the Federal Government be strangled in the process.

Nondefense Federal expenditures are now 7 percent lower, in relation to gross national product, than they were 25 years ago.

VICTORY FOR VIRTUE

Too many people seem to think it a kind of victory for the forces of virtue if the funds that the Federal Government needs to do its work are cut.

Too often, moreover, the cuts are made in the everyday, undramatic, but enormously vital, domestic program.

Another example of Federal pennypinching is the low level of pay for top appointive officials. Cabinet members get \$25,000, Assistant Secretaries, often heading huge bureaus, and members of key regulatory commissions, such as the Interstate Commerce Commission and the Civil Aeronautics Board, get \$20,000. In contrast, over 900 State Governors, mayors, city managers, and administrators, State court judges and officials of public "authorities," receive salaries exceeding \$25,000.

The difficulty of recruiting and keeping topflight talent for key Federal regulatory posts is highlighted by this example: Of the 22 Civil Aeronautics Board members who served prior to the present incumbents, fewer than one-third served to the end of their appointed 6-year terms.

Rather ironically, top airline executives, who receive salaries several times the size of those of these Federal regulatory officials, have testified before congressional committees that the Federal Government should pay for developing a supersonic commercial transport plane because the Federal Government can afford it and the airlines can't. There are many other examples of this attitude that the Federal Government can afford anything new or exciting, particularly if it is a proposal that has political appeal, but that it can't afford to do its existing, non-glamorous tasks with adequate budgets or adequate pay scales for those in charge.

We should cut the suit to fit the cloth when we decide on total Federal spending, but we should not kid ourselves into thinking we can have the services and the programs without paying for them.

Instead we should limit our Federal commitments to what we can afford to pay for and then provide the money to see that those programs are carried out, with adequate space, adequate personnel and a level of compensation reasonably comparable with private industry.

In the squeeze that now takes place the Federal executive is often called on to perform a Herculean task. But he has the satisfaction of being part of a dedicated, highly professional group that can take justifiable pride in its public service.

TWO TRIBUTES FROM TEXAS; A SAGE AND A POET HONOR JOHN F. KENNEDY

Mr. YARBOROUGH. Mr. President, Dr. Jenny Lind Porter, who has been selected as poet laureate of Texas for 1964, author of several volumes of poetry and of many separate poems printed in magazines and journals all over the world, now associate professor of English at Southwest Texas State College, has written a beautiful tribute to our martyred President, the late John F. Kennedy.

Dr. Porter has compared the spirit and dreams and hopes for a land and a people held by the Poet Robert Frost and John F. Kennedy. Her comparison, under the title, "The Poet and the President," was printed, with photographs, as the lead story on the front page of the feature section of the Austin American-Statesman on Sunday, December 15, 1963.

J. Frank Dobie, writer, philosopher, folklorist, author of many books, pamphlets, articles, sage of the southwest, historian of the cowboy and his environment, now a consultant to the Library of Congress in the field of American culture, an admirer of the late John F. Kennedy, has written feeling of the effect of the sudden loss of Kennedy—"a citizen of the world." Mr. Dobie's tribute was printed under the title "Summing Up" in the book section of the Austin American-Statesman for Sunday, December 29, 1963.

Mr. President, I request unanimous consent that Dr. Jenny Lind Porter's article "The Poet and the President" and J. Frank Dobie's article "Summing Up" both be printed in full at this point in the Record.

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

[From the Austin (Tex.) American-Statesman, Dec. 15, 1963]

THE POET AND THE PRESIDENT (By Jenny Lind Porter)

(NOTE.—Dr. Jenny Lind Porter, Poet Laureate of Texas for 1964, is assistant professor of English at Southwest Texas State College. Her biography appears this winter in the new issue of the Dictionary of International Biography, just published in London. She appears regularly on KLRN-TV with a program called "The Poet Laureate and the Poets.")

This could be called a tribute to John Fitzgerald Kennedy through the lines of the poet who read at his inauguration—Robert Frost. Who of us would have thought that day, watching the octogenarian poet and the boyish, handsome, 43-year-old President, that each was soon to complete his "gift outright" to the Nation? And they were magnificent gifts. In this month, December, when we talk of the gifts of the Magi laid at the feet of the Christ child, we can remember that we may follow Kennedy and Frost on a trial of the modern Magi, through a land that realizes westward because we have laid our dreams at the master's feet and are fully aware that a princely star looks down on Cape Kennedy and that frankincense and myrrh have come in great mailbags to a Dallas police station for the widow of Officer Tippit. Our country, such as she is, such as she will become, is perhaps more prayerful this week than it has ever been, more soul searching, and more humble.

Frost and Kennedy had much in common. Each was a visionary, a dreamer. Naturally, for the poet; not so naturally, with a President. Out of our 36, those Presidents possessed of great dreams and similarly endowed with courage and social conscience and eloquence number only 4 or 5: one thinks of a Jefferson, a Lincoln, an F.D.R., a Kennedy.

"We are the music makers"

And we are the dreamers of dreams,
Wandering by lone sea breakers
And sitting by desolate streams,
One man, with a dream, at pleasure,
Shall go forth and conquer a crown;
And three with a new song's measure
Can trample an empire down."

John Fitzgerald Kennedy, a millionaire's son, might have chosen the easy route of champagne and yachts and silk suits. Instead that readheaded Irishman chose to fight for his country in war and in peace. Frost has a poem about how a great man surveys life as if it were a road that forks; in his spiritual calm, this man faces the struggles which the little-traveled road presents, and he sets forth upon it rather than upon the broad highway. So Kennedy set forth to war, to foreign countries, and even to Dallas, for one must commit himself, and he must not live in fear. Had he taken the other road, he might not lie with a flame over his grave at Arlington Cemetery—but recollect that the flame is over his grave, and over our lives, and over our Nation—indeed, over the earth, because of a safe road not taken. Total commitment to an ideal is a beautiful, awesome thing.

"Two roads diverged in a yellow wood,
And sorry I could not travel both
And be one traveler, long I stood
And looked down one as far as I could
To where it bent in the undergrowth;

"Then took the other, as just as fair,
And having perhaps the better claim
Because it was grassy and wanted wear;
Though as for that the passing there
Had worn them really about the same,

"And both that morning equally lay
In leaves no step had trodden black.
O, I kept the first for another day,
Yet knowing how way leads on to way,
I doubted if I should ever come back.

"I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood and I—
I took the one less traveled by,
And that has made all the difference."

John Fitzgerald Kennedy was a great humanitarian. He loved people, and he was shining with that love when translated to another sphere. This is true of Frost, too: "Earth's the place for love. I don't know where it's likely to go better." Of his students, he said, "I'm very thick with 'em." You and I recall President Kennedy's concern that artificial barriers erected by race and creed should be obliterated for national harmony. Thomas Browne used to say that he was in England everywhere. President Kennedy won hearts when he sympathized with the people of Berlin, saying in fellow feeling, "Ich bin ein Berliner." One thinks of Frost's kindred understanding in "Mending Wall."

Something there is that doesn't love a wall. Frost tells us that he and his Yankee neighbor would go along the stone wall which divided their properties (and which nature kept tumbling down) and repair the gaps—senselessly, it seemed to him, for after all—

"He is all pine and I am apple orchard.
My apple trees will never get across
And eat the cones under his pines, I tell him.

He only says, 'Good fences make good neighbors.'
Spring is the mischief in me, and I wonder
If I could put a notion in his head:
Why do they make good neighbors? Isn't it

Where there are cows? But here there are no cows.

Before I built a wall I'd ask to know
What I was walling in or walling out
And to whom I was like to give offense.
Something there is that doesn't love a wall,
That wants it down."

To Frost it was as if the Yankee farmer were out of place in his stonelaying as a Druid priest in New England. When Kennedy looked at the wall, he saw its dark blot on progress and civilization. The same compassion he applied to the race question in America.

We had in Kennedy a man who loved his work. Frost said that he wanted to "lodge a few poems where they'll be hard to get rid of, like pebbles." They both were men of ideas, philosophical, thoughtful men, who wanted to communicate. "Triumph in poetry," Frost warned, "comes in facing up to darkness. You had better decide what is worth failing with as well as what is worth succeeding in." Both Frost and Kennedy wanted knowledge put to work. "Piling up knowledge," according to Frost, "is as bad as piling up money indefinitely. You have to begin sometime to kick around what you know." "And don't dry up," he admonished an audience of teachers. "A prune can never become a juicy plum by any amount of soaking. Better not to dry up in the first place." Everyone knows the story of how Frost employed seamstresses to convert the varicolored silk and satin hoods from his 33 honorary doctorates into a pair of stunning patch-work quilts. Kennedy was a Harvard graduate, with many honorary degrees, but he kept going—reading, traveling, talking with people. I find his spirit in Robert Frost's "Two Tramps in Mud Time," where the poet reminds us that we must come to work with a spirit of love as well as with a thought of our daily bread. Kennedy didn't need the salary he made at the White House to feed Jacqueline and Caroline and John-John; Frost didn't need to earn his living

chopping wood, as the lumberjacks did who wanted to do his work for pay and take the ax from him. Love and spiritual hunger have their claims.

"Only where love and need are one
And the work is play for moral states.
Is the deed ever really done
For heaven and the future's sake."

When Frost was young, he knew great suffering. He was born March 26, 1874, in San Francisco, but his father was from Massachusetts—another Kennedy tie—and after the father died in 1885, Mrs. Frost and the two children came back to New England to live with Grandfather Frost. In 1895, Frost and Elinor White were married (she died in 1938), and Grandfather Frost bought a farm in Derry and told the young man he must not sell it for 10 years. "Nobody can make a living from writing poetry," said Grandfather to Robert. "I'll give you a year to try." "Give me 20," was the quick reply. In 1912 Frost sold the farm and went to England on a shoestring, taking his family along—and with the publication of "A Boy's Will" and "North of Boston," at last, at age 39, his career was launched. So both Frost and Kennedy—the latter with his earnest pursuit of career, his family sorrows, and his back ailment—grew through sorrows perhaps unknown to the public which sees only their fame and not their heartaches. Each man came into his real soul stride in his thirties. Each lost several children. Each had family griefs and times when it looked as if the shadows would engulf him.

"I have been one acquainted with the night.
I have walked out in rain—and back in rain.

I have outwalked the furthest city light.
I have looked down the saddest city lane."

Spiritual to the core, each survived hatred and jealousy; for these come to one who is a distinct individual.

"Some say the world will end in fire,
Some say in ice.
For what I've tasted of desire
I hold with those who favor fire.
But if it had to perish twice,
I think I know enough of hate
To say that for destruction ice
Is also great
And would suffice."

But the eternal flame conquers the ice of hatred. Kennedy was not afraid that harmony wouldn't prevail. He faced our friends and foes with that firmness and sweet, shining look born of a man who gets down on his knees. With the same optimism, Frost answered reporters who feared atomic destruction. "If we all went up in an atomic explosion," he said, "when we came out the other side and brushed ourselves off, somebody would say, 'Wasn't that something?'" "You can't exterminate us," he continued, "we're like lice or bedbugs." The President was just as hopeful, just as witty.

Each man was a friend of wind and sea and trees and stars. "This must be the most beautiful place in the world," President Kennedy told a friend of the vista in Arlington Cemetery where he was later buried. The river and the trees spoke to him, even as the tree in Frost's poem:

"Tree at my window, window tree,
My sash is lowered when night comes on;
But let there never be curtain drawn
Between you and me.

"Vague dream head lifted out of the ground,
And thing next most diffuse to cloud,
Not all your light tongues talking aloud
Could be profound.

"But tree, I have seen you taken and tossed,
And if you have seen me when I slept,
You have seen me when I was taken and swept
And all but lost.

"That day she put our heads together,
Fate had her imagination about her,
Your head so much concerned with outer,
Mine, with inner, weather."

John Fitzgerald Kennedy was a hero, fittingly given a hero's last tribute. Frost wrote a poem called, "A Soldier," which describes the hero as a fallen lance that lies pointed as it plowed the dust, and ends:

"But this we know, the obstacle that checked
And tripped the body, shot the spirit on
Further than target ever showed or shone."

Somehow, as I wrote this, I felt the presence of Robert Frost, and I knew that the poet would want me to close this tribute to President Kennedy with the reminder that he has given us the torch for a new generation and that we can look at his example and shut our eyes and think of the lady in the harbor, with the inscription beside her torch—"Give me your tired, your poor, your huddled masses yearning to be free * * * I lift my lamp beside the golden door * * * and admit that the responsible Americans have—

"* * * Promises to keep
And miles to go before (they) sleep."

[From the Austin (Tex.) American-Statesman, Dec. 29, 1963]

SUMMING UP

(By J. Frank Dobie)

The last long night of a long year has almost passed. As I look back, I seem to myself increasingly unimportant. I went to California and worked for a month with nothing else on my mind but a book that I have at last finished—to be published away along in 1964. During the year I have seen cherished friends, gone hunting, read some fine things, read things that incensed me, watched the pageant of life pass by.

Nothing experienced went into so deeply or will remain so deeply impressed on my mind and in my nature as the sudden vanishing of our President, John Fitzgerald Kennedy, at Dallas, Tex., a little past high noon on November 22, 1963. During the weeks that have passed since he was killed, contemplation of his noble nature has made me feel "a richer woe." I never met him or saw his face except through the mediums of television and photography, but to me, as to millions of others, he personified hope, growth, humanity, superb intelligence, wonderful understanding of nations and peoples.

Like Benjamin Franklin and Thomas Jefferson, he was a citizen of the world. It is true that he came out of Massachusetts, but who thinks of him as belonging to Massachusetts? While the Republic was still young, Alexander Hamilton said that for President a man was needed who could "think continentally." Times have so changed and spaces have so shrunk that now the President must think globally. John F. Kennedy's thinking compassed the world and looked far into space.

He never spoke to Buncombe County. When he spoke to the United States of America, he spoke also to nations of the world, as in his inaugural address: "My fellow Americans: ask not what your country can do for you; ask what you can do for your country. My fellow citizens of the world: ask not what America will do for you, but what together we can do for the freedom of man."

For him freedom was—is—a state of life far beyond the bare differences between being and not being a slave—the difference that Lincoln's Proclamation of Emancipation achieved 100 years ago. In June 1963, President Kennedy said: "If an American, because his skin is dark, cannot eat in a restaurant open to the public; if he cannot send his children to the best public school available; if he cannot vote for the public officials who represent him; if, in short, he

cannot enjoy the full and free life which all of us want, then who among us would be content to have the color of his skin changed and stand in his place? Who among us would then be content with the counsels of patience and delay?"

Compassion was a word familiar to John Kennedy. I dreamed a dream in which a lad from the sticks, unfamiliar with travel, was inducted into the army and given a ticket that would carry him from a place in southern Texas a thousand miles north. He appeared to be about 18 years old. In the strange ways of dreams, his color was indeterminate; now white, now brown, now black. He was shy, bashful, ignorant of travel procedure. He sat alone in the train all day. Night came. He had not a bite to eat. He was hungry. A man walked down the aisle by the lad and stopped. The man smiled, not at all patronizingly, and spoke. The lad stood up. The man was plainly President Kennedy. "You look lost and hungry," he said. "I am going to the diner to eat. Come with me."

His words were not in an accent the lad was used to, but they expressed a concern for fellow human beings that he understood and that went into him. All this was just a dream. Presidents do not walk alone down the aisles of railroad cars. They are transported in special airplanes. The act and the words in the dream would, nevertheless, have been in character for John F. Kennedy.

Compassion was not—is not—enough. Kennedy laid strong emphasis on knowledge and thought; on cultivated intellect. The good hearted who are ignorant can no more govern than a ditchdigger can pilot a jet-propelled airplane. Some Frenchman spoke of the "intellectual and spiritual aura" that Kennedy moved in. He did not make the White House a "prison" occupied by a man holding "the loneliest job in the world." He was at home there. He and Jacqueline Kennedy made it so bright that its brightness lighted the land. They brought a new style to Washington, even if obstructing chairmen of legislative committees—brought to power by an outmoded seniority system—never felt it. They seem barricaded against the brightness of intelligent vitality.

Under President Lyndon Johnson they have continued to block government. The blocking powers have been set against the Kennedy-Johnson policy of treating openly nations that discard "venomous hatreds." No country is the czar of the whole world. In the words of Kennedy, "If we cannot end now our differences, at least we can help make the world safe for diversity." The New Frontier has proved itself something beyond a political tag. It has changed many minds holding the stubborn opinion that any approach on America's part with communist powers is no better than carrying the Munich umbrella of appeasement.

John F. Kennedy, in my judgment, revealed himself in no higher form than in choosing—always with excellence in mind—individuals to go with him. Two chosen ones stand out; the woman of marked dignity, brightness and judgment who became his wife and the man of extraordinary competence, fidelity, and understanding who became his Vice President and then our President.

President Lyndon Johnson will not fail in bringing freedom of life to more individuals and in forwarding peace to our own and other nations of the world. In the words of a prayer I heard my father decades ago say over and over, "Bless those in authority over us."

VFW SUPPORTS PLANS FOR U.S. FLEET IN INDIAN OCEAN

Mr. HUMPHREY. Mr. President, for good reasons the Veterans of Foreign Wars of the United States is widely rec-

ognized for its understanding and leadership in matters pertaining to the security of the United States.

I call to the attention of the Senate a recent telegram sent by the national commander of the VFW, Mr. Joseph J. Lombardo, to President Lyndon B. Johnson on December 13, 1963. In this telegram, Commander Lombardo informed the President of the "wholehearted support" of the VFW for the recently reported plans to establish a U.S. naval force in the Indian Ocean area.

The need, Mr. President, for U.S. naval forces in the Indian Ocean area, has been a matter of growing concern to many Members of the Senate. This potentially dangerous power vacuum between Singapore and Suez is certainly related to Communist aggression against southeast Asia, the northern approaches to India, and the eastern approaches to the Middle East and Africa.

I recommend Commander Lombardo's telegram to President Johnson as worthwhile reading by Members of the Senate. Commander Lombardo has analyzed the strategic situation of this area in brief and very understandable terms.

Mr. President, I ask unanimous consent that the text of the VFW press release, with the full text of the telegram to President Johnson, be inserted in the RECORD at this point.

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

VFW SUPPORTS PLANS TO ESTABLISH U.S. NAVAL FORCE IN THE INDIAN OCEAN AREA

WASHINGTON, D.C., December 13.—President Lyndon B. Johnson today was notified by telegram from Joseph J. Lombardo, Brooklyn, N.Y., national commander in chief of the Veterans of Foreign Wars of the United States, of the VFW's "wholehearted support" of the administration's reported plans to establish a U.S. naval force in the Indian Ocean area.

Commander in Chief Lombardo in his telegram to the President pointed out that the VFW has advocated such action for several years. "Such an Indian Ocean fleet," Commander Lombardo said in explaining VFW views and background of the telegram, "has long been needed in the interest of the security of the United States and the free world. Since the virtual disappearance of British sea power from the Indian Ocean area following World War II, an extremely dangerous vacuum has existed in that vast area from Singapore to Suez. This has encouraged, and facilitated, Communist expansion into southeast Asia, the northern approaches to India and Pakistan, and the eastern approaches to the Middle East."

A copy of the telegram to the President follows:

"THE PRESIDENT,
"The White House,
"Washington, D.C.

"DEAR MR. PRESIDENT: The purpose of this telegram is to inform you of the wholehearted support of the Veterans of Foreign Wars of the United States, for your plans, as reported in the press today, to establish a U.S. naval force in the Indian Ocean area. On behalf of the 1,300,000 combat overseas veterans of the VFW, I pledge our full support of your efforts to strengthen our national security against Communist aggression in this vital, and largely unprotected, area extending from Singapore to Suez.

"The VFW firmly believes that the establishment of U.S. naval forces in the Indian Ocean is one of the most important and necessary steps our Nation can take in resisting

Communist expansion. The overseas combat veterans of the VFW are deeply reassured by your reported plans in view of the fact that the establishment of an Indian Ocean Fleet has long been a primary national security goal of the VFW, and has been urged by unanimously adopted resolutions of our national conventions for the past several years.

"Such a U.S. naval force, capable of demonstrating U.S. interest and power, from the showing of our flag to the delivery of nuclear weapons, will be a stabilizing influence in this critical Afro-Asian area.

"Our Nation and the free world are encouraged and reassured by the strategic soundness of your reported plans to extend U.S. naval forces into the dangerous power vacuum now existing in the Indian Ocean area. The VFW will support whatever action you believe necessary to increase U.S. naval strength in order to permit the creation of an Indian Ocean Fleet."

Commander Lombardo also sent copies of this telegram to Secretary of Defense McNamara and Secretary of the Navy Nitze.

THE NETHERLANDS CARILLON SHOULD BE PLAYED

Mr. HUMPHREY. Mr. President, in yesterday's edition of the Washington Post the distinguished music critic, Paul Hume, pointed out that the magnificent Netherlands Carillon which stands near Arlington National Cemetery and the Iwo Jima Monument is seldom played.

These beautiful bells were the gift of the people of the Netherlands to the people of America. Mr. Hume notes that bells have no life except as they are played. To permit these bells to remain silent and unused is a mark of ingratitude toward the wonderful people of the Netherlands and a shameful failure to make use of a magnificent musical instrument. To quote Mr. Hume:

To allow a beautiful carillon to go unheard from nearly one end of a year to the next is to show a singular callousness to the purpose and power of these glorious bells. To pass up the opportunity of adding the sound of a carillon to the sights and memories of Arlington Cemetery is to slight a rich opportunity. To give such a poor show of appreciation of a princely gift is petty beyond belief.

There is, of course, the additional fact that hundreds of thousands of Americans have traveled to Arlington National Cemetery to pay homage to our great President, John F. Kennedy. In the coming years millions will make this sad journey. Surely the reactivation of the Netherlands Carillon would be most fitting and proper under these circumstances.

Mr. Hume notes that the Department of the Interior has jurisdiction over the carillon and expresses the hope that the Department could provide funds for weekly concerts by the outstanding carillonneur of the Washington Cathedral, Mr. Ronald Barnes. In the past the Department apparently has said it had no funds for such a purpose.

The Senator from Minnesota will write today to the Department for an estimate of the costs involved in providing such weekly concerts. I sincerely hope the Department will be able to discover some way to meet this small budget. If the Department is unable to do so, perhaps some public spirited citizen of the Washington community would

contribute the amount necessary for weekly concerts. If neither of these alternatives is feasible, I intend to offer a small amendment to the first supplementary appropriation bill so that such concerts will be possible. This is an opportunity which should not be carelessly overlooked or ignored.

Mr. President, I ask unanimous consent that the article by Paul Hume from the December 29 Washington Post be inserted into the RECORD at this point.

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

[From the Washington Post, Dec. 29, 1963]

WHAT GOOD ARE BELLS IF THEY AREN'T JINGLED?

(By Paul Hume)

Washington possesses three beautiful carillons. All should be heard regularly and ought to be played by excellent carillonneurs skilled in performing the finest music available for this unique and venerable instrument.

At present, the carillon in the tower of the Washington Cathedral is heard regularly. Under the musicianly persuasion of Ronald Barnes, a truly great carillonneur, the Cathedral's bells play a superb repertory ranging from works that are classics to new compositions and transcriptions of the finest literature.

The carillon in the tower of the Shrine of the Immaculate Conception on the campus of Catholic University is heard regularly through recording devices. While it is not possible to obtain the complete range of nuances from the bells through this device, it is nevertheless possible for them to be played well on the recordings.

It is, however, of the third carillon in Washington that I want to speak particularly today. It is by some years the oldest in the city, and occupies a superb location for sound. Furthermore, the bells and tower were a gift to the people of the United States. The bells themselves, each one beautifully engraved, came to us from the people of the Netherlands, a magnificent gift of gratitude and appreciation. The tower was given by Americans of Dutch descent. Together, tower and bells stand on a slope near Arlington Cemetery and the Iwo Jima monument.

For the most part, they stand silent—a reproach to the people to whom they were given, an ungrateful symbol of our ingratitude for such a handsome gift.

Bells have no life except when they are played. They call a people, as we well know from our recent experiences, to national sorrow. They also call people to great celebration and joy.

No one who was in London during the war will forget the incredible sound the day Winston Churchill ordered all the bells in the city and throughout the country to be rung as a signal of the victory he knew was near. The bells had been silent through the long days and months of attack and defense. Their outpouring peals said, more dramatically than words could, that a time of peace was near.

To allow a beautiful carillon to go unheard from nearly one end of a year to the next is to show a singular callousness to the purpose and power of these glorious bells. To pass up the opportunity of adding the sound of a carillon to the sights and memories of Arlington Cemetery is to slight a rich opportunity. To give such poor show of appreciation of a princely gift is petty beyond belief.

I have a suggestion: that the Department of Interior, under whose jurisdiction the Netherlands Carillon stands, provide funds

for weekly concerts to be played at a time determined jointly between it and the officials of Arlington when the largest number of people could enjoy them; and that for these concerts, they engage Ronald Barnes, who has no superior in the realm of carillon playing and whose schedule at Washington Cathedral could surely be arranged to include a weekly concert on the Netherlands bells.

The Interior Department has, in the past, when approached about this matter, said they had no funds for such a purpose. This is rather like the Department of Defense saying no marker could be placed at the tomb of Paderewski in Arlington. All it took was a Presidential order. Perhaps we will not need so strong a measure in order to show proper appreciation of a generous gift at the same time we add another sound of music to our city.

CONSTITUTIONAL QUACKERY

Mr. HUMPHREY. Mr. President, on December 10 our colleague from Hawaii, Senator INOUE, addressed members of Phi Delta Phi, a legal fraternity, at the Lawyers Club in Washington. Portions of his remarks were devoted to the subject of "Constitutional Quackery," the practice by some persons of preaching hate while cloaking themselves, as Senator INOUE put it, "in the hallowed raiment of the American Constitution."

This is an ever increasing problem, Mr. President, and I share the view of Senator INOUE that "it is high time that we give serious thought to curbing some of the excesses perpetrated in the name of the Constitution of the United States." I ask unanimous consent to have printed at this point in the RECORD that portion of Senator INOUE's speech that deals with this subject.

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

EXCERPTS OF REMARKS BY SENATOR DANIEL K. INOUE BEFORE PHI DELTA PHI LEGAL FRATERNITY

I have noticed that the medical profession will immediately close ranks whenever the slightest semblance of medical quackery appears to have invaded a community. The doctors' record of solidarity in this regard is most commendable, and the benefactors have often been the community at large.

The inclination to band together in the face of interlopers who would defile the profession is not limited to members of the medical profession. We find that men of other professions have similarly banded together when they felt that those without proper credentials or qualifications were invading their ranks and foisting their services on the community. Those of us who follow the practice of law, however, seem at times to be unmindful of others who choose to degrade the profession by indulging in constitutional quackery. The practitioners of constitutional quackery always cloak themselves in the hallowed raiment of the American Constitution. They usually call themselves patriotic American constitutionalists, quoting freely from the American Constitution. These individuals and organizations spew forth hatred and venom against the Negro, the Jew, the Federal Government, the United Nations, the Chief Justice of the United States, the President of the United States, and all others who fail to fit their mold. This is a malignancy which affects America today—a malignancy of hate which has some relationship to the kind of consti-

tutional quackery pursued by these patriotic Americans.

I submit that there is precious little difference between those who seek to impeach the Chief Justice of the United States because of disagreement with certain of his decisions and the Communists who work toward the destruction of our form of government. Both of these groups have one thing in common—they wish to destroy our way of life from within. The assassination of the President, the unthinking and cruel cheers in certain American schoolrooms at the announcement of the assassination, the successful vigilante action of Jack Ruby, the unbelievable suggestion that Ruby be awarded the Congressional Medal of Honor for his action, are all interrelated parts of the massive psychosis induced in those who have been subjected to such constitutional quackery.

If anything, the American Constitution was devised to protect against man's inhumanity to man, but this is not what some see in this great and glorious document forged in the heat of battle to gain liberty and freedom.

I think it is high time that we give serious thought to curbing some of the excesses perpetrated in the name of the Constitution of the United States.

POPE PAUL'S CHRISTMAS MESSAGE

Mr. HUMPHREY. Mr. President, on December 23, Pope Paul delivered to the world an inspiring Christmas message. He more than continued the theme of the season and of his predecessor, John XXIII, who already has become known as the Pope of Peace. Pope Paul gave his message the same urgency of treatment, and made equally unmistakable his inclusion of all men of good will.

The Pope noted realistically the great problems of the world which are obstacles to peace and human welfare. He reminded us that the number one problem is hunger. More than half of the people of the world are in this deplorable state. They want, not prosperity, but mere sufficiency; and unless something is done about it soon, the situation will get worse.

Pope Paul stressed with open favor the great projects of international aid which offer generously to entire masses of unknown people the spontaneous and well-organized gift of indispensable food. We can be proud of our food-for-peace program.

The papal congratulation and blessing were given also to the new nations of the world in Asia and Africa. Their underdeveloped nature in many cases was frankly recognized; but their wish to be sovereign, free, and independent was found to be right and just. Their need for scientific and technical aid was stressed. Most important, the Pope stressed the spirit in which that aid was to be given—a spirit of brotherhood, not paternalism.

Peace—

Said Pope Paul—

is the product of the well-ordered movement of component parts, rather than being something static and fixed—peace in well-balanced motion.

His message was as thoughtful as it was inspirational. It was meant for all; and I ask unanimous consent that it be printed in the RECORD.

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

TEXT OF POPE PAUL'S CHRISTMAS BROADCAST TO THE WORLD

(Following is a translation, supplied by the Vatican press office, of Pope Paul VI's Christmas message, broadcast in Italian tonight.)

ROME, December 23.—Beloved brethren and children, we extend to all of you best wishes for a blessed Christmas. We wish this blessing to enter into the heart of each one of you and to implant there that sense of happiness, of peace, of serenity, of trust that is born, in such a special manner, of this holy feast and that forms one of the most consoling experiences of life.

May each one of you who receives our affectionate greeting experience internally the sweetness, the comfort and the happiness that we wish you. Today people who possess so many objects of so-called exterior happiness often stand in need of interior happiness, the only kind that is genuine, personal, profound, and sincere. And it is this kind of happiness that we desire each of you to enjoy.

FOR THE SICK AND SUFFERING

We send our blessing above all to you who are suffering, because you stand in greater need of it, to you who are sick, to you who are aged, to you who are sad, to you who are weeping, to you who hunger and thirst for justice. We would like to stand beside each one of you to bring you the sweet, sincere, consoling words of Christ.

Next, we send our blessing to our dear little children. You see in Christmas your special feast, the feast of new life, the feast of wholesome affections, the feast of the joy of living.

In the years that lie ahead for you, may the Lord preserve and increase your happiness and teach you its secret, which is contained in your innocence. We extend our greetings to your families who are reunited around your table, around your gifts, around your crib filled with homespun and life-giving beauty.

We extend our best wishes to you, the members of social groups, who on this annual occasion balance the accounts of your capabilities and your needs, in order that your sense of justice may be accompanied by that of orderliness and of love.

We send our blessings to those of you who are exiles and fugitives, whose anxieties and sufferings are well known to us, to those of you faithful children, who are deprived of the freedom that is due to you, to those of you who are suffering for Christ and for His church and who today more than ever are close to our heart.

We send our greetings to all the peoples and nations on this earth, to which the message of peace descends today from heaven and fills the world with trust and good will.

VIEW OF THE WHOLE WORLD

A blessed Christmas to all. We can communicate our best wishes because Christmas is a religious and Christian feast, and we know very well the honored place it holds amidst the varying conditions of human life.

But then another consideration comes to mind. In our desire to extend to all our brotherly and fatherly best wishes, our eyes try to perceive the view of the whole world as seen from what we might call the watchtower over the world, the lofty position on which our responsibility has placed us.

And then we are reminded that our good wishes ought to be related, not only to the humble longings that are so common on a happy popular feast, as Christmas ordinarily is, but particularly too the real and pressing needs of people.

Our affection cannot ignore the great sufferings, the deep longings, the painful neces-

sities that concern great sections of society or even entire peoples.

In our intention of realistic observation of the human scene, our mood changes from joyous to pensive because we are pointedly asked this question: What are the great needs of the world today to which our desires must be related, if they are to be helpful and wise?

The needs of the world. The very question makes one dizzy because these needs are so vast, so manifold, so immeasurable. But some of them are so evident and impelling that all of us understand them, at least to some degree.

FIRST PROBLEM IS HUNGER

The first is hunger. We knew that it existed, but today it has been recognized. It has now been scientifically proved to us that more than half the human race has not enough food. Entire generations of children even today are dying or suffering because of indescribable poverty.

Hunger produces sickness and wretchedness. These in turn increase hunger. It is not merely prosperity that is wanting to vast numbers of people, it is mere sufficiency.

And unless this heart-rending situation is relieved by opportune remedies, we must foresee that it will grow worse, not better.

The demographic increase of starving areas has not yet been balanced by the economic increase of the means of sustenance, although it has been accompanied by the spread of such means of information and such types of development as impart an uneasy and rebellious consciousness to such a state of suffering. Hunger can become a subversive force with incalculable results.

One who studies this unforgettable and threatening problem is sometimes tempted to have recourse to remedies that must be regarded as worse than the problem itself, if they consist in attacking the very fecundity of life by means that human and Christian ethics must condemn as illicit.

Instead of increasing the supply of bread on the dining table of this hunger-ridden world, as modern techniques of production can do today, some are thinking in terms of diminishing, by illicit means, the number of those who eat with them. This is unworthy of civilization.

We know that the problem of demographic growth, when unaccompanied by sufficient means of sustenance, is very grave and complex. But it cannot be admitted that the solution to this problem consists in the use of methods contrary to divine law and to the sacred respect that is due both to marriage and to newborn life.

This gives us added motivation to look with profound sympathy at the multitudes of men who suffer hunger and to observe with anxious attention the manner in which men study and handle the enormous problems connected with this tragic situation.

Even though we are not given Christ's miraculous power of materially multiplying bread for the world's hunger, still we can take to heart the plea that rises from the masses, still oppressed and languishing with misery, and to feel it vibrate in us with the very pity which was felt by the heart of Christ, which is both divine and completely human: Miseror Super Turbam * * * "I have compassion on the multitude * * *. They have nothing to eat" (Mark 8: 2).

ENKINDLING OF NEW LOVE

We make our own the sufferings of the poor and we hope that this our sympathy may itself become capable of enkindling that new love, which by means of a specially planned economy will multiply the bread needed to feed the world.

We are therefore openly in favor of everything that is being done today to help those who are devoid of the goods required for the elementary needs of life.

We see with admiration that, in the years following the destruction of war, great proj-

ects of international aid have been launched to give witness to a fresh flowering of human nobility, and to offer generously to entire masses of unknown peoples the spontaneous and well organized gift of indispensable food.

We should like to encourage and bless this magnificent endeavor, at once manifold and providential. We are happy to note that Christian principles give rise to, pervade and promote these praiseworthy and beneficial undertakings.

It is also gratifying to observe that some of these initiatives come from Catholics owing to the merits of persons endowed with Christian genius, of worthy pastors who sustain these noble undertakings, and of so many of the laity who give heart and money to the cause.

Praise must also be given to the able directors who organize these works and to the courageous executives who render admirable service. We pay a special tribute to these valiant men.

This then is our first Christmas wish: That charity may reign in the world, that the love brought by Christ, born as a child in this world, and kindled by Him among men may blaze forth ever more widely until it can wipe away from our civilization the dishonor of misery weighing upon men like ourselves and our brothers in Christ.

This greeting reminds us of another, not unlike it in its humanitarian scope, but different in the methods by which it is to be realized. It is the greeting for nations on their way to development.

Our universal mission as shepherd of the world makes us look with great sympathy and with loving interest on those new nations that are now reaching that sense of identity, that dignity, that ability to function, that are peculiar to free civil states.

ESPECIALLY AFRICA AND ASIA

We look especially to those of Africa and Asia, and it pleases us to salute, on this birthday of Christ, their own birth to independence and to the harmony of international life.

We wish to recall with them the high origin of their vocation to liberty and to human receptivity to the Christian message, and we pray that they may always know where to discover the sources of true humanism and where to find that reserve of moral energy with which a people acquires the exact concept of human life and finds the wisdom and the strength to express in its laws and in its customs both the great principles of civilization and the peculiar forms of their native genius.

We know that these new nations are justly proud of their sovereign liberty and that they can no longer admit the domination of another state over them. But we know also that these nations have not yet reached that degree of self-sufficiency that is required to enjoy all the cultural and economic benefits of a complete modern state.

It is clear then that our charity this Christmas, in its search to discover the great needs of the world, recognizes the necessity of helping these emerging nations, not with humiliations and self-seeking beneficence, but with scientific and technical assistance and friendly solidarity of the international world, brotherhood in place of paternalism.

THE FAMILY OF NATIONS

This is what we desire for these new nations—that they may enter as brothers into the family of nations, bringing with them their own original civilization as well as their recent cultural and social progress, in the spirit of solidarity, harmony, and peace.

May they find in the same family of nations the respect due to them and the help of which they are still in need.

We cannot pass over the fact that the Catholic Church herself, by means of the missions among these peoples, has always striven, without thought of temporal gain, to

develop them to their utmost capacity, always holding in honor all their human and upright qualities, while proclaiming to them their vocation to the true and supreme destiny of redeemed man, and offering them, at great sacrifice and out of pure love, the benefits of education, of health services, and of social formation.

In all of these activities the aim is not to establish a relationship between superior and inferior or between strangers, but to educate them to attain Christian brotherhood and civil autonomy.

We therefore wish that Catholic missions may always find a friendly welcome among the new nations, and may always know how to render devoted and loyal service to promote their spiritual, moral, and material development.

THE PROBLEM OF PEACE

While we view the entire panorama of nations, we cannot but mention again another pressing need of mankind—peace.

This is suggested by Christmas itself since, as we all know, this feast is presented to us as a message of peace bestowed from heaven upon all men of good will.

This is treated in the great encyclical of our venerated predecessor, John XXIII, who addressed himself to the fundamental question of peace in our modern world. The developments and controversies of our time force us continually to consider the nature of peace, its forms and weaknesses, its needs and progress.

This encyclical has shown us, if we may so put it, the new problems of peace and the dynamism of the elements from which peace must result.

St. Augustine's classic definition of peace as the "tranquillity of order" seems to be applicable today in the sense that the tranquillity and security of peace are the product of the well-ordered movement of component parts, rather than being something static and fixed—peace in well-balanced motion.

There are other reasons for mentioning peace in our Christmas message. First, it is necessary to heed the yearning of the new generation. Youth desires peace. Secondly, we see that peace is still weak, fragile, threatened, and that in not a few, fortunately limited regions of the earth, peace is violated.

PEACE NOW BASED ON FEAR

We observe with some apprehension other obvious facts. Peace in the present time is based more on fear than on friendship. It is maintained more by terror of deadly weapons than by mutual harmony and faith among peoples. And if tomorrow peace were to be broken—which God forbid—all humanity could be destroyed.

How can we celebrate Christmas with serenity when such a threat hangs over the world? And therefore we urgently beseech all men of good will, yes, all men who hold responsible positions in the field of culture and politics, to consider as fundamental the problem of peace.

True peace is not that hypocritical propaganda aimed at lulling the adversary to sleep and concealing one's own preparation for war. Peace does not consist in pacifist rhetoric that refuses the indispensable, patient, and which tiresome negotiations, are the only efficacious means.

It is not based merely on the precarious balance of opposing economic interests, nor on the dream of proud supremacy. But true peace is based on the abolition, or at least on the mitigation, of the causes that endanger its security, as nationalistic or ideological pride, the arms race, lack of confidence in the methods or in the organizations that have been constituted to render the relations among nations orderly and friendly.

MEN'S MINDS NOT UNITED

Peace in truth, in justice, in freedom, in love—this is the peace we pray for.

At this point our Christmas wishes touch upon another need related to that of peace. And it is the answer to this elementary question: Why are men not at peace with each other? Because their minds are not united.

Union of minds is the great need of contemporary man. Culture, which awakens and in great part fills this want, in the end does not satisfy it. On the contrary, culture exacerbates the minds of men by putting into circulation an indiscriminate pluralism of ideas.

Men lack unity in their principles, in their ideas and in their view of life and of the world. As long as they are divided they will continue to be ignorant of one another, to hate and to fight against one another.

From this it is easy to see the importance of the doctrinal element in the fate of humanity. We clearly see how blessed we are by the coming of Jesus Christ into the world. He came to forge a unique link between all mankind and God the Heavenly Father.

This religious link, respecting and ennobling each man's person as it does, is the most solid and hopeful basis for unity between men. The true sociology of human peace takes its rise from Christian religious unity. It is this unity, introduced by Christ into human thought and history, that we earnestly desire for the peace, concord, mutual understanding and happiness of all men of good will.

THAT ALL MAY BE UNITED

This is the greeting we send out with the pealing of the Christmas bells.

We direct it especially to those whom we believe to be most ready to receive it: to Christians still separated from us and to Catholics happily united. Ut unum sint, that all may be united: That was Christ's sublime and final prayer before His passion. We make it our own on this day, which commemorated His coming.

Sons and brothers and all men of good will, these are the desires with which Christmas fills our heart. They have been so profound and so insistent during these first days of our pontificate and during the Second Vatican Council that we have decided, as you know, to go very soon to Palestine, the land in which Christ, the Son of God, came down from Heaven, lived, taught, suffered, died, rose from the dead and from which He ascended again into Heaven.

We have been moved to do this because we wish to express anew our faith and love for Him and also because we feel that by uniting ourselves with Him in the Gospel setting we shall be able to carry out with greater perfection and success the mission entrusted to us for the world's salvation.

Once again we declare clearly that the nature and purposes of our pilgrimage are solely religious.

Our journey will be that of Peter's witness. We wish to include in our own faith that of the whole church, and with Peter at Caesarea Philippi, say to Jesus: Yes, Lord, You are the Christ, the Son of the living God.

It will be a journey of offering. As the Magi from the East, the symbols and precursors of all peoples of the earth, so we from the West wish to bring to Jesus the offering of His church and to acknowledge in Him the Founder and its Master, its Lord and its Saviour.

A JOURNEY OF HOPE

It will also be a journey of search and of hope: Search for all those who are for us sons and brothers in Christ in the atmosphere of the Gospels, evoked by this land of benediction. How can we not ask ourselves: Where is the full flock of Christ? Where are the lambs and the sheep of His fold? Are they all here? Which ones are missing? And so we cannot but implore Jesus the Good Shepherd, using His own words: May there be one fold and one shepherd.

And our heart will reach out also to those outside the fold of Christ, and our good intentions will embrace all the peoples of the earth, those far and near, with sentiments of respect and of love, wishing them happiness and peace.

We shall greet respectfully and cordially all, whatever be their origin, whom we shall meet on our way, especially those in authority, the people, the pilgrims, and the tourists, but without stopping in our hurried pilgrim's journey, and without allowing ourselves to be distracted from the sole religious purpose of our trip.

It will thus be a journey of prayer, made with humility and with love. In our heart will be present the whole world. No one will be forgotten.

In asking pardon from our Lord, the merciful One, for all our faults, for all our weakness, we will not hesitate to beg for all men mercy and peace and salvation.

And the wishes which on this holy Christmas Day we have expressed in behalf of the church and of all men of good will, in the Holy Land will be more intense and more efficacious.

But even now we look to their realization, as we invoke the intercession of the Blessed Virgin and of the holy Apostles Peter and Paul, and as we impart to you our apostolic benediction.

EULOGY OF PRESIDENT KENNEDY

Mr. MORSE. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD a moving and beautiful eulogy of President Kennedy delivered by Prof. Joseph F. Smith on November 25, 1963, at a memorial service at the Mormon Tabernacle in Honolulu, Hawaii.

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

A DIGEST OF REMARKS MADE BY JOSEPH F. SMITH AT A MEMORIAL SERVICE FOR PRESIDENT JOHN F. KENNEDY BEFORE A CONGREGATION OF MORE THAN 2,000 AT THE LATTER-DAY SAINTS TABERNACLE, HONOLULU, HAWAII, NOVEMBER 25, 1963

Fewer than 80 hours ago, John Fitzgerald Kennedy was alive and was the President of the United States. At this hour, his body, torn by an assassin's bullets, lies in Arlington, the national cemetery dedicated as the burial ground for American heroes who have given their lives in their country's service.

At this moment here in Honolulu, geographically remote from Dallas, and even further removed from Washington, you and I are met in memorial service. I would ask, "To what purpose?"

A memorial service affords opportunity to pay tribute to the deceased, but if this service does no more than that, if a man elected to the Presidency of the United States be robbed of his life by a heinous deed, and you and I in memorial service do no more than pay him memorial tribute—even with sincere mourning—our tribute will be no more than gesture.

The Nation, during the past 3 days, has lain under a pall of gloom and of grief: gloom, that, in this country dedicated to freedom, assassinations can be; grief for a President of the United States cut down in his prime, and for a family bereft.

In contemplation of the events of the past few days, can anyone of us here wholly absolve himself from responsibility? Let us grant for the moment, that the assassination was the sole deed of a young man confused to the point of madness, will this wholly absolve you and me from responsibility? Are not the violence and the vandalism, the robbery and the rape, the industrial hatreds in Honolulu, this town of

yours and of mine, a part of a national sickness of which the murder of John Fitzgerald Kennedy is another part?

This hour is fittingly a time of tribute and a time of mourning, but it must be more than that. It must be an hour of sober reckoning and of solemn resolution. Tragically, it cannot be an hour of restitution. The sin is a national sin; a nation is affected. May I note here, in passing, that I do not specifically condemn Lee Harvey Oswald for the crime. Whatever his action, he has been deprived of his right for trial by law. The man who shot him is equally guilty with him who fired the fatal bullets at the President. Twice in the space of 3 days, the international spotlight has illumined the abrogation of law in a country supposedly committed to government by law. Have you and I no responsibility in the matter? Indeed, this is a time of reckoning for you and me.

Last Friday on the floor of the Senate, the first words to be spoken in announcing the death of the President came from Senator WAYNE MORSE, of Oregon. He said, "If there was ever an hour that every American should pray, this is the hour." And I would repeat that if there was ever an hour that every Latter-day Saint should pray, this is the hour, because we have a particular responsibility, a very especial responsibility, for the preservation of law and order in this country. We know—thanks to divine revelation—that this is a land choice above all other lands. It is a land designed for the rebuilding of Zion. This is our responsibility.

The Savior, when asked what was the greatest commandment, replied, "Thou shalt love the Lord with all thy heart, might, mind, and strength. This is the first and great commandment and the second is like unto it: Thou shalt love thy neighbor as thyself."

Brethren and sisters, are we adequately abiding the second of these commandments? Until we do, we are not keeping faith with our responsibility. Until every one of us within the area of his particular influence is so abiding, he cannot abide the first. This we must set about more diligently to do.

It is fitting that in this time of resolution we paraphrase another great and martyred President: That you and I, that we here highly resolve that the 35th President of the United States shall not have died in vain; that we here dedicate ourselves to the preservation of the land through righteousness. The Hawaiian words come to mind: *Ua mau ke ea o ka aina i ka pono*—the life of the land is preserved in righteousness.

Righteousness is never passive. Lassitude, lethargy, indifference, neglect, unconcern—these are insidiously potent allies of unrighteousness. What boots our present grief if it moves us not to more dedicated effort to bring greater order to our immediate house?

If the land shall be preserved in righteousness, it will require your loyalty and mine, your love and mine, your unremitting labor and mine.

That we make irrevocable resolution toward this end is my prayer in the name of Jesus Christ. Amen.

THE PRESIDENTIAL LINE OF SUCCESSION—TWO VICE PRESIDENTS

Mr. KEATING. Mr. President, on December 20, I introduced a joint resolution setting forth my suggestion for a constitutional amendment strengthening the line of succession to the Presidency. This proposal is that a second Vice President, elected by all the American people, be interposed in the line

of succession between the existing Vice President and the Speaker of the House. In the event that the Nation should tragically lose both its Chief Executive and his successor during the same term, a man chosen by the people of the whole Nation would then become President.

In a WTOP radio editorial on December 27, Commentator Jack Jurey spoke in support of this proposal. I was gratified both by his thoughtful comments and by an editorial which appeared in the Washington Post on December 23. Mr. President, I ask unanimous consent that the text of both these editorials be printed at this point in the RECORD.

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

EDITORIAL BROADCAST ON DECEMBER 27, 1963,
OVER WTOP TELEVISION AND WTOP RADIO

We haven't been at all sympathetic to the clamor for changes in the presidential line of succession as a direct result of President Kennedy's assassination. The fact that House Speaker JOHN MCCORMACK is next in line for the White House does not seem to us to be a matter of grave concern, prompting precipitate action to designate some other person to be second in line for the Presidency.

But as a long-range reform, there's much to recommend the proposal put forward by Senator KENNETH KEATING, of New York, to create two Vice Presidents. One—a so-called executive Vice President—would be No. 2 man in the executive branch. He would be, in effect, a presidential understudy, with no duties that would prevent him from being fully informed on the tremendously wide scope of executive responsibilities.

The second Vice President—a so-called legislative Vice President—would perform many of the present duties now assigned to the vice presidential office, including presiding over the Senate and casting a deciding vote when Senators are deadlocked. This legislative Vice President would be third in line for the White House. He would be followed, as now, by the Speaker of the House, the President pro tempore of the Senate, then members of the Cabinet, beginning with the Secretary of State.

If the Keating constitutional amendment were to be adopted, each party would nominate a President and two Vice Presidents, one executive, the other legislative. In other words, the country would elect three national executives rather than two.

This is one of at least three proposals relating to presidential succession which will be considered by the Senate Constitutional Amendments Subcommittee early next year. Its purpose is to meet the clear need to protect the Nation against a serious lapse in executive leadership. In our view, Senator KEATING has made the best contribution so far toward a solution. His suggestion ought to get very serious consideration.

[From the Washington Post, Dec. 23, 1963]

EXECUTIVE VICE PRESIDENT

Senator KEATING's suggestion that the country elect two Vice Presidents instead of one turns out to be somewhat more attractive than its advance billing. It would give the United States for the first time an executive Vice President who would become a high-level functionary in the administration. Being wholly within the executive branch, he would be an understudy to the President in all affairs and would be ready to take over the reins at any time in case of necessity.

There would be substantial advantages in having a Vice President giving his full time to executive duties, and this official under

the Keating plan would be first in the line of succession. Even when there is only one Vice President, we have long thought that he should be freed from presiding over the Senate so that he could be more fully prepared for any emergency.

The serious problem under the proposed Keating amendment would be to find a man of presidential stature who would be willing to occupy the third spot with nothing more to do than preside over the Senate. There would be a strong tendency to use the third place on the presidential ticket to placate an ethnic or minority faction without much regard for presidential qualifications. If this plan should get serious consideration, however, it would doubtless be possible to build up the proposed legislative vice presidency. That official could be made the chief liaison between the President and Congress and he could be selected with that special and important function in mind.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, while Senators are still in the Chamber, I believe it is in order to ask the distinguished majority leader about the schedule when the Senate returns on the 7th of January. In the session on Friday last, a joint resolution was adopted under which Congress will reconvene on Tuesday, January 7. Perhaps the majority leader has some announcement as to the state of the Union message and any other business that may immediately engage the attention of the Senate.

Mr. MANSFIELD. Mr. President, the agenda as outlined by the distinguished minority leader is correct. The Senate will return, after a sine die adjournment, on Tuesday, January 7, at which time the calendar will be carefully studied to see what particular measures can be brought up.

On Wednesday, the 8th of January, there will be a joint session in the Hall of the House of Representatives, to be addressed by the President of the United States.

After that, I shall consult with the distinguished minority leader as to the remainder of the agenda.

NOTIFICATION TO THE PRESIDENT

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 241) as follows:

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed the business of the session and are ready to adjourn unless he has some further communication to make to them.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Without objection, the resolution is agreed to; and the Chair appoints the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois [Mr. DIRKSEN] to serve as the committee of two Senators to join a similar committee of the House

of Representatives to notify the President of the United States that the two Houses have completed the business of the session and are ready to adjourn unless he has some further communication to make to them.

THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. MANSFIELD submitted the following resolution (S. Res. 242), which was considered by unanimous consent and unanimously agreed to.

Resolved, That the thanks of the Senate are hereby tendered to the Honorable CARL HAYDEN, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Eighty-eighth Congress.

THANKS OF THE SENATE TO THE ACTING PRESIDENT PRO TEMPORE

Mr. MANSFIELD. Mr. President, I send to the desk a resolution which I am personally privileged to offer at this time.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 243) was read, as follows:

Resolved, That the thanks of the Senate are hereby tendered to the Honorable LEE METCALF, Acting President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Eighty-eighth Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution? Without objection, the resolution is unanimously agreed to.

ADJOURNMENT SINE DIE

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 248, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Monday, December 30, 1963, and that when they adjourn on said day, they stand adjourned sine die.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the House concurrent resolution.

The motion was agreed to.

AUTHORITY TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 249, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the sine die adjournment of the two Houses, the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

CLOSING STATEMENT BY THE MAJORITY LEADER

Mr. MANSFIELD. Mr. President, I am extremely proud of the Senate because of the number of Senators who have come from very long distances, some of them as far as 5,000 miles, to be present for the last session of the 1st session of the 88th Congress.

We are at the final act of the longest continuous session of the Congress in many years. One may criticize or praise this Congress for what it has done or failed to do this session. That is understandable. But what is beyond comprehension is criticism of this Congress for staying on the job in 1963 for 12 months. Members who have been faithful to their responsibilities during these long months may properly bewail a fate which denies them a couple of weeks of vacation with their families. They may properly note—as the Senator from Colorado [Mr. ALLOTT] has—that they need adequate time to consult in their constituencies if they are to do their work of representation effectively. But it is rubbing salt in the wounds for those who should know better to criticize them for staying here month after month to do as much of the work of the Nation as it has been possible to do.

And what has been done represents an achievement for which no Member of this body need apologize. In the legislation on education we have laid the groundwork for a most significant advance for all of the people of this Nation. Of course, much remains to be done but we have begun. As in education so, too, in mental health which is, as it has been for a long time, the Nation's No. 1 health problem, but we have begun.

And with the achievement of a nuclear test ban treaty we have kindled a flicker of light which may yet illuminate the way to a reasoned peace, a peace which the world must find if there is to be a civilized world at all and we have begun.

These three profound achievements reached in our own fashion, inadequate though some find it, will nevertheless stand as a monument to the work of the 1st session of the 88th Congress in the administration of John Fitzgerald Kennedy. And these achievements are bulwarked and undergirded by other measures concerning air and water pollution, park and wilderness facilities, and other social ends in the 1st session of the 88th Congress and by the work of the 87th Congress. Taken together this work represents the most significant advance in essential legislation of adjustment to changes in our Nation in many years.

It is not important how the Senate looks, whether it appears to hobble or to flow smoothly, whether it appears to run or walk, whether it breezes through in 6 months or struggles through in 12. What counts, in the end, is what it does in terms of legislation. And no Member of this body need apologize for the Senate in terms of durable benefit to the Nation during the 3 years of the Kennedy administration. What has been done to promote a more satisfactory life at home for all citizens and a reasoned

peace in the world will stand comparison with any Congress in the memory of most of us. And for those who may be skeptical, I would refer to the detailed report and comparison in the CONGRESSIONAL RECORD of November 27, 1963, which I made when the Kennedy administration closed in the tragedy of the death of the President. I would refer to the record of the 68 percent of the Presidential legislative proposals during this year which have cleared the Senate in these 12 months. And that record, too, will stand comparison with any other.

But, as has been said many times, we have made a beginning but it is just a beginning. Ahead of us during the second session lies some of the most difficult decisions which this or any Congress is likely to be required to reach.

We face the issue of tax revision which involves not merely a tax cut but, even more, basic revenue policy and such grave questions as the growth of the U.S. economy, inflation, recession, and automation.

We face the issue of civil rights which goes to the heart of our consciences as a free people—to the meaning of the United States to all of its citizens and the meaning of this Nation in the history of the world.

We face the issue of adequate health care for the aged, an issue whose outcome will reveal much as to our compassion and understanding and sense of responsibility and our capacity to act as a nation on their dictates.

We face the issue of helping the President to refine and adjust the role of this Nation in the world in the light of the great changes which have occurred in the past few years and, particularly, as our national role is expressed in the foreign aid program.

These are some of the great issues which will confront us when we reassemble after a few days' respite. Much preliminary work has been done on them. Much remains to be done. But there is every reason to expect that the Senate will face these issues and do its best to act with independence and with wisdom on them. In doing so we will be paying the finest of all possible tributes to the late President Kennedy by carrying on what was initiated in his administration. In doing so, we will be working with President Johnson in the interest of all the people of the Nation and in the interest of the Nation in the world.

CONCLUDING REMARKS BY THE MINORITY LEADER

Mr. DIRKSEN. Mr. President, I shall not detain the Senate very long. The majority leader and I will presently telephone to the President of the United States to ascertain whether he has any more business to lay before the Senate.

I shall make these concluding remarks, and insert the remainder of my observations in the RECORD.

The 1st session of the 88th Congress is about to become history.

It is a far cry from John Adams, the first Vice President John Adams, to CARL HAYDEN, the President pro tempore of the

Senate; from the temporary Capital in New York to the gleaming city on the Potomac; from a civilian payroll of 169 persons to the 2,570,533 who now serve in the executive branch; from a population of 3½ million to a teeming country with more than 190 million; from a land which spent but \$1½ billion in the first 60 years of its existence to one that now sports a budget of nearly \$100 billion in a single year. In that time, Congress has remained a durable institution which kept abreast of the needs and growth of the Nation. It has met without interruption from the first session on April 6, 1789, to this very hour. It has lived through four Presidential assassinations. It has survived six major depressions. It has come through seven wars. It has faced up to the emergencies of every generation. It has retained its identity as the exclusive lawmaking branch of Government under our Constitution. It has not quailed or retreated from its responsibilities.

At this point I wish to say that I fully concur in the concluding sentiments expressed by the distinguished Senator from Oregon [Mr. Morsell] as the 1st session of the 88th Congress comes to an end. Whenever, through rebuke or castigation or scorn, the parliamentary body of any country is weakened or impaired, at that point the people had better be vigilant, because that is the beginning of the end of free government. Show me any parliamentary body in any civilized country that has been scorned and castigated, and whose parliamentary members have also been brought into disdain. On the day that that occurred, freedom stopped. That was the day when the complete extinction of freedom and liberty got under way.

To my friends who are sitting in the press gallery, and who have been so generous to me, I wish to say that much castigation has been directed at this Congress. It matches, of course, the adjectives that I have dug out of editorials going back more than 125 years.

But there has been a singular development in this country that follows a pattern that can be seen behind the Iron Curtain. A rather interesting booklet has now come to hand from Czechoslovakia to show the exact pattern of how free government is liquidated. First, it is necessary to get some kind of authority within the government itself. I could name a dozen this afternoon.

Next, get a little on the law books, no matter how little it might be; and then get a matching authority in the form of a pressure group outside Government. Those twin forces will bring the change about exactly as was done in other civilized countries.

It was no wonder that Khrushchev stood before the 20th anniversary Congress of the Soviet Union and said, in effect, "You can create a condition where even through a parliamentary body socialism can be brought about in a country, and socialism is the first step toward communism." If that means anything, we had better heed the signs.

The Congresses of the last 125 years were characterized as "indolent, partisan, weak, bigoted, hateful, malicious,

spineless, dense, stupid, cowardly, time-killing, of low morals, intolerant." What else could be said without exhausting the thesaurus. Today, one can find similar comment.

The achievements are so often carried in lowercase type. The alleged failures command a boldface recital. Where is the civil rights bill? Where is the tax bill? What has been done about medicare? Where are the wheat bill and the cotton bill? What about the foreign assistance mess? Where is the Puritan ethic?

These questions blandly assume that Congress should legislate in accord with the pattern of administration demand. It could just be that Congress does not concur in administration demands. It could just be that Congress has other ideas. It could just be that the Congress is of the opinion that the Constitution makes it the exclusive law-making body in our Government and that while it will gladly receive and entertain the recommendations of the Chief Executive, it has no duty or obligation to concur in those recommendations. For Congress to fail in carefully deliberating every proposal which is submitted to it and exercise its will would constitute a failure of its constitutional duty.

In the strident wails which rise from the wailing wall of sharp and unrestrained criticism, one can detect a musical pattern which is not exactly melodic. It is a bit plaintive and dismal. It is more lamentation than song. It carries a note of frustration and disconcert of spirit. It is as if hope has been baffled and high expectation has been disappointed. Nor is that hard to understand.

Congress is always under pressure from a great variety of economic groups. They are not shy in advancing their demands, nor are they reticent in making plain their knowledge of the political art and the extent of their political power. It is a commonplace today in assessing the chances of a candidate for office how he stands with this group or that, and how vocal and effective these groups can be at the repository of human hope and ambition known as the ballot box. As one group or another is disappointed by the fact that Congress has failed to meet their demands, it can be expected that their appraisal will not always be charitable.

But Congress has a duty to the whole country, to all of the people and to the economy generally. In that respect, the 88th Congress has measured up to its duty. It has not been panicked or stampeded. It has refused to be rushed headlong into an unwise course of action. It has assessed the needs of the times and responded accordingly.

It seems to me that those who so freely castigate Congress for its alleged sins of omission and commission might well take account of the experience of other lands where their parliamentary bodies were weakened or impaired by a concert of criticism which seems to have a common thread. Be it Spain or France, be it Italy or China, be it prewar Germany or the Soviet Union, the organized efforts to demean their parliamentary bodies saw a concentration of power in a few

hands and the erosion of liberty. This is the sure road to autocratic government.

I must make one comment on the item which appeared on the press ticker on Saturday, December 21, and which stated in substance that the stalemate on the foreign assistance appropriation bill was the work of Republican isolationists. Truly, this was an unkind cut.

When the late President Kennedy came to office, the Senate-House Joint Republican Leadership Conference which was established under President Eisenhower made the position of the Republican minority quite clear, and there has been no departure from the principle laid down in 1961.

We stated then, and we reaffirm it now, that on domestic matters we would carefully examine administration programs in the light of our own principles. If they exceeded or fell short of our purposes and principles, we would try to amend, modify, change, or offer substitutes. If we deemed them not in the Nation's interest, we felt free to reject them.

In matters of foreign policy, we expected to be heard and to have a fair chance to present our views. When the decision was made, we would abide and support it, even though we did not agree. In foreign assistance, as on other matters in the foreign policy field, I believe we have pursued a consistent course and that the statement by an unnamed White House spokesman which sought to place an isolationist tag on the Republican course was unkind, unworthy, and unjustified.

As we bid farewell to 1963 and salute 1964, I thank my Republican colleagues for their generosity. I thank them for having selected me to carry the torch of leadership for them on the floor of the Senate. I have done the best I could. I am grateful for their tolerance and their forbearance.

To Senators on the Democratic side of the aisle, I express my appreciation for their sense of humor and their tolerance as, from time to time, we have had little spats that are a part of a parliamentary body.

Finally, I pay an affectionate salute to my great and good friend from Montana, the distinguished majority leader [Mr. MANSFIELD]. I thank him for every courtesy and every kindness he has registered throughout the whole year of the 1st session of the 88th Congress.

To all the Senate officers and employees, I express appreciation for your unfailing consideration and devotion.

Mr. HUMPHREY. Mr. President, I should like to express what I hope might be an appropriate senatorial benediction following the fine remarks of the majority leader and the minority leader.

As one on this side of the aisle who has been privileged to be associated with the very fine, distinguished, able, dedicated public servant, Senator MANSFIELD, the majority leader, I am grateful for and appreciative of the outstanding public service and dedication to public duty of the minority leader [Mr. DIRksen], who has placed his country above

his party when great national interests have been before us and who, as the majority leader has said so many times, has been cooperative in a manner that has made it possible for the Senate to perform its public business. I know that I echo the sentiments and feelings of the members of the Democratic majority, as I am confident I do of the members of the Republican minority.

The task of conducting the business of the Senate is not one of dictation or of dictum. It is one of persuasion, one of engendering respect for a point of view as well as for a person. It is surely the art and the skill of being able to reconcile many points of view.

To be sure, there are ways of getting things done in other societies that seem to be more efficient, if that be the goal. But I submit that efficiency must take second place to justice, to fairplay, and to the procedures of representative government.

The U.S. Senate and the U.S. Congress play a vital and significant role, not only in passing legislation but also in keeping kindled the fires of understanding and information that make possible a sound public opinion and a sound public policy.

Our task is not merely to legislate. Our task is to discuss. Our task is to debate. Our privilege is to review every policy that is placed before us. Sometimes this can be done quickly; occasionally considerable time is required. When I think of such great issues as those relating to taxes, monetary policy, fiscal policy, and foreign policy, I do not think results can be achieved overnight.

I join with other Senators in saying that while we have a responsibility to the Chief Executive—and I, for one, feel that responsibility keenly—we also have a responsibility to our own consciences; we have a responsibility to our duties under the Constitution. I would remind every Senator and every citizen of the United States that Congress—and indeed the Senate—fails the American people when it refuses to do the hard job of thinking through the issues that are before it.

The policies and programs presented to us by any President are worthy of our respect, our careful attention, and our deep study. That does not mean that we must respond by an automatic "yes." It does mean that we should give them our careful consideration. As one of the majority, one who has been privileged to work with the late President Kennedy and now with President Johnson—one of the lieutenants, so to speak—I always try to give the benefit of the doubt to the leader of the party, to the leader of the country. But I did not come to the Senate to be a rubberstamp either for party or President. As Edmund Burke said in his great message to the electors of Bristol, I came here to exercise my reasoned judgment upon every issue before us. We have different points of view. Our differences need to be expressed.

I say to Senators who occasionally are pictured or categorized in the pattern of mavericks that we need them, too. We need Senators who will stand up and

defend their position, even when it is unpopular. We need Senators who are willing to venture into new thought, and not merely to accept the thought of others.

I pay my respects to my friend the distinguished Senator from California [Mr. KUCHEL], the minority whip, with whom I have had a wonderful personal relationship and for whom I have the highest regard as a gentleman, as a citizen, and as a leader in Congress. I hope that our working together has been of mutual benefit, not only to us as individuals, but to the parties, to Congress, and to our country, as well.

Mr. KUCHEL. Mr. President, while every Member of the legislative branch of the American Government eagerly looks forward to the approval of the concurrent resolution for adjournment sine die on this day, I believe I speak for every Member of both the Senate and House of Representatives, Republican and Democratic, as well, when I say that as we leave, we do so as a group of intimate friends who look forward to meeting again early in 1964.

A few moments ago the Republican leader spoke. I have no doubt that I speak for all Senators when I say that we are glad to salute the leader of the minority party in the Senate. His has been a difficult chore. I have seen him discharge his responsibilities; and—as has been evident in the last few moments—he has done so first as an American. He takes with him—for the few days rest he now will be able to enjoy before the Senate convenes again—the fond respect of his Republican colleagues whom he has led and the approbation of the entire membership of the Senate for the courage and the devotion to duty which he has shown, for the sweet personality which is his, and for his never-ending attempts to accommodate the personal concerns of all of us.

I should also like to pay my respects once more to the leader of the majority party in the Senate, the distinguished Senator from Montana [Mr. MANSFIELD], and also to the majority whip, the Senator from Minnesota [Mr. HUMPHREY], who likewise have worked long, patiently, and valiantly in order that Congress might have some constructive milestones in the public interest, for which Democrats and Republicans together have tried to put strength into America and have tried to help our Nation go forward so that our exertions in the year that lies ahead may, with the blessing of the Supreme Being, be fruitful and may find the people and the Government of the United States strong and free, and may permit all of us, working together, to carry forward the torch of freedom, and of peace with justice for all good peoples around the globe.

THE PROS AND CONS OF FOREIGN AID LEGISLATION

Mr. MILLER. Mr. President, following on the debate on foreign aid appropriations, an excellent article, entitled "The Pros and Cons of Foreign Aid Legislation," was published under date of

November 4, 1963, in the American Institute for Economic Research.

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

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

THE PROS AND CONS OF FOREIGN AID LEGISLATION

The foreign aid question was brought into the limelight once again with the opening of debate on the proposed Foreign Assistance Act of 1963 on the floor of the Senate last week. Contrasting opinions as to the general desirability of the foreign aid program were epitomized in remarks made by Senator FULBRIGHT, chairman of the Committee on Foreign Relations, which reported the bill to the Senate, and Senator MORSE, who vigorously attacked it.

Even Senator FULBRIGHT, who often has been a spokesman for the administration, admitted that the foreign aid program was obsolescing. He cautioned, however, that "any large scale departure from our present foreign aid arrangements at this time would pose unacceptable risks to our entire foreign policy position." Senator MORSE said of the proposed \$4.2 billion authorization that it was "the same old snow job," "a hodge-podge of meaningless compromises that will produce another year of bloated, wasteful, uneconomic and in many ways dangerous American foreign aid." One Senator who had listened to the opening speeches said that he could not decide whether Senator FULBRIGHT's remarks about the bill were "damning with faint praise or praising with faint damns."¹

The foreign aid bill now before the Senate differs substantially from the bill passed by the House of Representatives late in August. It authorizes a larger expenditure and it lacks many of the policy requirements initiated by the House. The following summary account of the measure passed by the House of Representatives appeared in a recently published study entitled "The Proposed Foreign Assistance Act of 1963."²

"The proposed Foreign Assistance Act of 1963 (H.R. 7885) is an authorization bill. It would authorize the enactment of appropriations not in excess of specified ceilings. The amounts actually appropriated, up to such ceilings, will be determined in separate annual appropriation bills. H.R. 7885 would also amend the policy statutes which authorize the President to operate the foreign aid program.

"The President's budget submitted last January for fiscal 1964 recommended foreign aid appropriations totaling \$4.9 billion. Following the Clay Committee report in March, the President reduced the budget request by \$420 million. H.R. 7885, as reported by the House Committee on Foreign Affairs, reduced the amount which may be appropriated by another \$438 million. The House amended the bill so as to reduce the authorization by an additional \$585 million bringing the total for fiscal year 1964 down to \$3.5 billion—about \$400 million below appropriations for fiscal 1963."

According to the legislative analysis referred to above:

"Some (critics of the program) would go further than the policy directives and ceilings on appropriations adopted by the House. Some would put an end to all foreign aid grants and limit the program to loans, at

¹ The quotations appear in "Aid Bill Scored in Senate Debate," the New York Times, Oct. 29, 1963, pp. 1 and 15.

² A legislative analysis published by the American Enterprise Institute for Public Policy Research, 1012 14th St. NW., Washington, D.C.

reasonable rates of interest. Others would sharply curtail all government-to-government aid, in any form, and concentrate on people-to-people loans and on private investment in the private enterprises of recipient countries. And still others oppose any additional authorization because they are convinced that the announced goals of the program are, in practice, impossible to attain.

"By and large, however, the debate involves what many regard as the gap between principle and performance—which suggests, some argue, that advocates of the program built expectations too high at the outset.

"It has been pointed out that when foreign aid can be related directly and specifically to denying Communist aspirations in the cold war, there is little occasion for disagreement and debate. According to critics of the program, a gap between principle and performance emerges when the announced goals and claims of foreign aid advocates are examined side by side with specific projects and programs."

The proponents of the foreign aid program, while admitting that it can be improved, ascribe to it large accomplishments in the past and are optimistic about what it will achieve in the future. President Kennedy, in his special message to Congress last April, said of the current program:

"Today our technical assistance and development loans are giving hope where hope was lacking, sparking action where life was stalling, and stimulating progress around the earth—simultaneously supporting the military security of the free world, helping to erect barriers against the growth of communism where those barriers count the most, helping to build the kind of world community of independent, self-supporting nations in which we want to live, and helping to serve the deep American urge to extend a generous hand to those working toward a better life for themselves and their children."

According to the American Enterprise Institute's legislative analysis: "Proponents of the foreign aid program state that its basic purpose is to protect 'our vital security interests' and that although it is justifiable as 'the right thing to do,' it is 'clearly in our national self-interest.' The relief and welfare aspects of the program and economic development of the less developed countries, proponents argue, help deter the growth of communism and subversion and are, therefore, in our national self-interest."

The report of the Clay Committee (headed by Gen. Lucius D. Clay), which was released on March 22, 1963, has been cited by some who oppose the vast scale and the methods of administering foreign aid. Early in the report the point was made that unless underdeveloped countries receiving aid are determined to use the aid effectively it can be largely wasted. "Many of the countries which have received our aid have not fully performed their part of the assistance bargain with their own resources. Moreover, we have not adequately conditioned our aid in many cases on the achievement of such performance. Indeed, we may find ourselves, in effect, granting a number of continuing subsidies because it is argued that their denial would create instability and lose us good will." The report commented on the Committee's feeling that we are trying to do too much for too many too soon and that we are overextended in resources and undercompensated in results.

General Clay, in testifying before the Committee on Foreign Affairs of the House of Representatives, said, "I think that if we adopt a philosophy that we can keep communism out of all the countries of the world by extending money and grants to those countries, we are just deluding ourselves." He also said: "We do not believe that U.S. aid can be given to all the countries of the world in sufficient quantities to be so effective

that it alone brings about the political and economic strengthening of these countries. Therefore, it is our view that we should reduce the number of nations to which we give aid and that we should concentrate our aid on those nations that are willing to perform, that have the inherent ability and the self-discipline to do those measures which will make aid effective."

The legislative analysis cites the fact that since July 1, 1945, the United States "has made available nearly \$100 billion to more than 100 countries" (about \$66.5 billion for economic assistance and about \$30.7 billion for military aid). It quotes from the minority views expressed in a congressional report, as follows: "It is obviously impossible for any country, no matter how rich or strong it may be at the start, to continue assistance indefinitely to most of the countries of the world. The growing size of our national debt and our dwindling gold reserves attest to the drain of our resources resulting from our heavy foreign and domestic commitments."

Limitations of space prevent us from reporting in greater detail on the impartial legislative analysis of "The Proposed Foreign Assistance Act of 1963" prepared by the American Enterprise Institute for Public Policy Research. It is a valuable contribution to thought on a highly important subject.

LATIN GIANT BEMOANS "EXPLOITATION," BUT PUTS SQUEEZE ON U.S. FIRMS

Mr. MILLER. Mr. President, in the November 5 issue of the Wall Street Journal there was published an excellent article entitled "Latin Giant Bemoans 'Exploitation' but Puts Squeeze on U.S. Firms." This article shows the usual reporting depth and ability of the Wall Street Journal staff; and I ask unanimous consent to have the article printed in the RECORD.

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

BLEEDING IN BRAZIL—LATIN GIANT BEMOANS "EXPLOITATION" BUT PUTS SQUEEZE ON U.S. FIRMS—LAND DELAYS \$100 MILLION OIL IMPORT PAYMENT BUT INSISTS FIRMS PAY BIG TAX PRONTO—AID DILEMMA FOR WASHINGTON

(By Henry Gemmill)

RIO DE JANEIRO.—Who is draining the lifeblood out of whom here?

Foreign trusts—U.S. exploiters worst of all—are bleeding this country, answer many Brazilians. But to many Americans, it looks as if Brazil is bleeding the companies, and the U.S. Government, too.

The Brazilian opinion is widespread. "The country cannot bear the heavy onus on its development entailed by enrichment of privileged groups who unduly appropriate the fruits of Brazilians' labor," says a memo splashed on the front pages of Rio newspapers and signed by President Goulart. Other politicians agree that Brazil is despoiled by Yankee investors, traders, and even foreign aiders. Communists say the same thing, and so do nationalist tycoons.

Yet Americans in rebuttal can cite these facts:

The Brazilian Government, delinquent on around \$100 million of crude oil import bills piled up over the past year, is demanding international oil companies wrap the debt in a pay-later package and stick it in a dark closet. Simultaneously the Government is insisting the same companies' distributing subsidiaries inside Brazil pay pronto a tax far exceeding their resources. Any company resisting either demand faces the threat of being tossed out of the Brazilian oil business.

FOREIGN AID FRUSTRATION

U.S. foreign aiders have been doublecrossed on some Brazilian Government commitments. Sample: Trying to use for good works the local currency from huge gift "sales" of wheat to Brazil, they've had as much as 22 billion cruzeiros blocked in the Development Bank—while a blast of inflation melts the value of this money as if it were butter in an oven. So far the Government bank has let them finance exactly one project, helping a private concern produce synthetic rubber.

Brazil, having gained a host of modern factories by Government lures to foreign corporations during the 1950's, enacted in 1962 a law limiting annual profit remittances abroad to 10 percent of investment. Fair enough in theory, perhaps, and seemingly of little significance since U.S. and European owners have plowed most earnings back into their businesses.

But in practice, Government paper shufflers have never gotten around to handling the required registrations. For more than a year, remittances—not just profits but interest on loans and even patent license payments—have been held near zero. This tourniquet has cut off a normal outward flow of roughly \$100 million annually.

U.S. POLICY DILEMMA

American policymakers, whether they sit in Washington offices or corporate board rooms, thus face a dilemma. Should they refuse to be bled any longer, and flatly decline to throw good money after bad? Or should they figure they're so badly hooked already that, to protect their investment, they must play along—calculating that Brazil's current course reflects neither the true interests nor the popular will of this great nation, hoping things will change for the better, and fearful of touching off a change for the worse? They find it a tough decision.

To appreciate how tough, look more closely at oil. It's Brazil's biggest import necessity. To ultranationalists here, it symbolizes the nation's struggle with giant foreign "trusts." To the companies concerned, that struggle displays the slashing skill of some of the Brazilian Government's most powerful and radical institutions.

These Government arms include:

Petrobras. This Government oil company monopolizes domestic exploration and production, but fills only a third of the nation's crude oil needs. It does the bulk of all refining. Under Mr. Goulart, executives who knew petroleum have vanished; the outfit is headed by a political general and run by leftists in key posts. Its costs are swollen by inefficiency, payroll padding, and apparently the financing of such unrelated things as youth movements. The Reds would like to switch crude imports over to the Soviet, already a secondary supplier.

Conselho Nacional de Petroleo: It rules over the private sector of the oil industry, regulating retail prices and myriad other matters. This council too is infiltrated by Reds who would like to stamp out capitalism at the filling-station level.

Banco do Brasil: This bank is part of the Government financial apparatus which constantly claims to fight inflation while flooding the country with paper money to cover fantastic budget deficits. It also constantly claims to be bringing foreign payments into balance, while rigging exchange rates to subsidize imports and stifle exports.

As for the foreign companies, they play a double role. First there are the Brazilian subsidiaries of Standard Oil Co. (New Jersey), Texaco, Inc., Atlantic Refining Co., and Shell Oil Co. (Gulf Oil Corp. got out). They buy gasoline and other refined products, mainly from Petrobras. They pay the Government within a required 30 days, and then manage to distribute to the remotest village under tight price ceilings fixed by the Petroleum

Council. But now, suddenly, they're not obeying another Government edict.

The council, which has just permitted a price rise of about 30 percent, demands the companies give Banco do Brasil a sum equal to their "windfall" profit on inventories. In effect the companies, which have already paid the Government once for enormous stocks, are told they must pay for about a third of these all over again. The cash they're asked to hand over comes to roughly 12 billion cruzeiros—more than \$10 million and probably close to \$20 million, depending on which of the various rigged Brazilian exchange rates is used to translate the cruzeiro figure.

The distributing companies plead that the level of their stocks has been dictated by a council which will not permit sensible inventory trimming, and that a 30-percent price boost is no "windfall" but a belated catchup with inflation, which now has Brazilian labor demanding 100-percent wage boosts. Finally, after years of omitted dividends they say they don't have the money and can't find a banker who will lend it. Having paid similar cash levies in the past the companies don't say they are unwilling to pay, but contend they're unable.

The companies say some high government officials understand the facts and express sympathy, but they have received no assurances they are being believed. In fact government regulators, perhaps figuring parent companies can be pressured into bringing down fresh dollars to ransom these Brazilian subsidiaries, or perhaps with a more political purpose, make this threat: Any company failing to fork over will lose its marketing quota. No quota means the company is out of business.

BUYING TACTICS

The crude oil Brazil imports from Venezuela and the Mideast is supplied mainly by producing or trading affiliates of the same four companies. In buying from them the Government which is so insistent a collector inside Brazil, becomes an elusive debtor.

The chief purchaser is Petrobras. Though Petrobras demands payment in 30 days when selling, it does not consider a bill due until 4 months have passed when it's buying. Then it does pay.

There's one hitch, though. Payment is made by giving cruzeiros to Banco do Brasil which is supposed then to transmit dollars. The bank has been pocketing the cruzeiros and blandly telling oil suppliers it has no dollars.

Now, oil companies are confronted not merely with the prospect of carrying \$100 million of unpaid bills on the cuff, but with a government request that this embarrassing commercial delinquency be made to vanish for a while by sticking a not-due-till-later label on it and tossing it into storage. The companies have entered negotiations. Any oil executive tempted to stalk out must consider whether he's really ready to give up this market, occupying half a continent.

A TALK WITH THE BOSS

These oil troubles illustrate the sort of battering most businesses experience if they have dealings with Brazil. Variations are innumerable. But inside Brazil the officers of many a U.S.-owned factory say they have had a "helluva" time with bosses back home, and by now the wrangling frequently evolves around whether more dollars should be brought down. Here's the outline one subsidiary officer gives of a typical conversation with his superior in the United States:

"Why should we send more money in when you fellows can't send profits out?"

"Well, this inflation has doubled the working capital we need, and we can only borrow here at more than 40-percent interest, if we can get it at all."

"You're giving everything away to your Commie union. And even that 70-percent boost 4 months ago isn't keeping them from screaming for more."

"I know, but my guys here are OK, and you should try to understand that the way things are going they really do need more money. Anyhow, we have to give it or be shut down."

"How's that nationalization bill stand in Congress?"

"Still talking about it, but it looks like we'll squeak by with just price ceilings."

"You call this a case for investing stockholders' money?"

"This is still a great country with a chance for a great future, and anybody who chickens out now may be making a great mistake. But give the word and I'll have a padlock on the gate tomorrow."

"Not so fast * * *

A General Motors or a General Electric is physically anchored to Brazil by its plants. An American exporter may not be, but if he has a valuable traditional share in the Brazilian market for chemicals or curtain rods to balance against a batch of unpaid bills, he can't escape the problem of whether and when to take his licking and cut his losses.

Even with coffee export prices riding high, one economist says Brazil is like the fellow who overspends and keeps out of bankruptcy by running around paying the mortgage but stalling the butcher, and fending off repossession of his new car by borrowing an installment payment from a neighbor. The trouble with this comparison is that by 1964 Brazil's balance-of-payments gap is probably going to reach \$800 million. So a horde of creditors will find themselves not just in the same boat but in the same ocean liner.

The Kennedy administration will be in it with them. It too has a heavy commitment through the Alliance for Progress plan for uplifting the hemisphere with U.S. aid and Latin self-help. Brazil is crucial to the project. So, Washington policymakers grant some aid, hold back on some, strive to get what they give to more useful destinations such as Brazilian state governments, and wonder whether and when more drastic decisions must be made.

MANSFIELD FOR BLOCKADE

Mr. MILLER. Mr. President, in the December 5 issue of the Washington Daily News there was published an article written by Mr. Richard H. Boyce entitled "Mansfield for Blockade."

In view of the current troublesome situation in Cuba and the present conference of the Organization of American States on the Cuban problem, I ask unanimous consent to have the article printed in the RECORD.

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

[From the Washington Daily News, Dec. 5, 1963]

URGES CUBA SUMMIT PARLEY—MANSFIELD FOR BLOCKADE

(By Richard H. Boyce)

Senate Democratic Leader MIKE MANSFIELD, of Montana, today urged the Organization of American States to support Venezuelan President Romulo Betancourt's demand for an air-sea blockade of Cuba.

Senator MANSFIELD, a member of the Senate Foreign Relations Committee, also criticized the OAS for delay in calling a hemisphere summit parley on the Cuba problem.

"I see no reason," he said, "why the OAS could not act immediately. The OAS should

be an organization of all the governments in this hemisphere facing this problem.

AUTHORITY

"It has plenty of authority under its charter to act, if it would only do so."

The OAS Tuesday heard Venezuela's Ambassador call for a meeting of foreign ministers of hemisphere nations to deal with the aggression against Venezuela and other Latin nations from Communist Cuba. The OAS voted to send an investigating committee to Venezuela, but put off indefinitely a foreign ministers conference.

Senator MANSFIELD charged the OAS "has much more power than it exercised in this matter." The Montanan said:

"Castro is a problem and a danger to all the nations, and they should act in concert. The United States will serve in the ranks with them, doing its share, but we should expect all the others to do their part, too."

Of the proposed sea blockade, Senator MANSFIELD said: "If it is decided by the OAS I would support it, but not as a unilateral move. The United States nor any one country should not be the one to step in front; it should be a joint matter, the nations acting in concert."

Senator MANSFIELD conceded there is a long-range possibility such a blockade might escalate into war. The blockade would use U.S. and other hemisphere nations naval and air units to end the flow of Communist arms and ammunition into other Latin American countries. But Senator MANSFIELD added:

"Besides the end of gunrunning, the value of a blockade is that it would squeeze Cuba even more, economically, and thus would be strongly inimical to Castro's interests."

Maritime Administration figures showed free world ships still arriving in Cuba at the rate of one a day.

Despite Senator MANSFIELD's sharp words, there was little expectation among diplomatic observers that the United States would support immediate moves for a Caribbean quarantine.

Informed quarters indicated the Johnson administration would go slow on moves which it feels might precipitate another Soviet confrontation over Cuba like that of October 1962.

WHAT EVER HAPPENED TO SATURDAY NIGHT?

Mr. MILLER. Mr. President, what ever happened to Saturday night? This intriguing question, complete with warnings and reminders, is raised in the July 8 issue of Newsweek. Written to mark the observance of the 187th Independence Day, it tells the story of Keosauqua, Iowa, and the Keosauquas of other names across the Nation. Newsweek General Editor Leslie Hanscom, himself a product of a small town, has captured the essence of the small hamlet, in addition to painting a bleak picture of what is to come. He warns that the small town, the backbone of America, is fast disappearing in this age of high-speed automobiles and high-speed superhighways. In the article, sociologist Philip Hauser is quoted as declaring that "if the small town is passing, we cannot bemoan it." I think he is wrong—for while television, movies, and travel opportunities may have opened up new vistas and new wants, the small town symbolizes, as Hanscom puts it, "the attraction, in the family-like pattern of its human relationships." Again, he points to "the

sociologically unprovable but instinctively American feeling that the little town and the countryside are the source of civic energy for the Nation." A return to the smalltown atmosphere, the Saturday nights of converging upon the downtown to exchange hellos and news, should be renewed, if only to become aware again of the need to reexamine our sense of values—the importance of knowing and trusting your neighbor. If this can be regained, then the mistrust which pervades this modern age will also be a thing of the past.

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

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

SMALL TOWN, U.S.A.

(A boy, a river, a flag-decked secret fort that guards the 1,023 souls of Keosauqua, Iowa, U.S.A. The scene recalls another day, before the country moved to town, before cities marched ever closer together. This Fourth of July, there are still some secret places for a boy to leap. But the Keosauquas are disappearing, and with them a way of life so long and loudly extolled from Fourth of July platforms across the land. To see what Small Town, U.S.A., is like as the Nation marks its 187th Independence Day, Newsweek's General Editor Leslie Hanscom visited Keosauqua. His story follows:)

In Keosauqua, Iowa, a town that is tucked in a lazy bend of the Des Moines River, the midmorning coffee break arrives at an early hour. Main Street business follows the work rhythms of the surrounding farms, and by 9:30 the refugees from toil have begun to gather in the dining room of the Hotel Manning, a pleasantly ramshackle pile which looks like a beached slide-wheeler. Here, where the talking is easy, the used copy of the Des Moines Register passes from booth to booth, piercing the quiet morning with the jangle of its headlines. Last week a medley of discord clanged from the Register's big type: "Blunt Challenge to De Gaulle by Kennedy—Bias Protest by 100,000 in Detroit—Claim Call Girls Operate in and Out of the U.N.—Mr. K.: World War Would Kill Hundreds of Millions."

In Keosauqua, as in Kennebunkport, Kitty Hawk, and Klamath Falls, this was news that shook the nerves and the psychic certainties which smalltown life supposedly protects. Viewed through the red, white, and blue vapors of one American pipedream, the little town is still the enduring social rock, safe from the tides of distant calamity that only touch it when the waves are spent. But in Keosauqua, they know different. The American small town is no longer distant, nor, alas, is it a rock.

It is a place where the speaker on Peruvian agriculture, putting away his slides at the 4-H Club meeting, is buttonholed by the lady who knows Peru through a sister in the Peace Corps. For the latest doings in Paris, Keosauqua need not consult a columnist; the nurse-receptionist who serves the town's two doctors has a son in the Air Force who regularly reports. Keosauqua can hardly avoid belonging to the great world, but the cost of membership may be far too high. By an irony of history, the world it belongs to seems to have no place for the American small town.

Fifty years ago, in the Fourth of July in Keosauqua was a blowout that would put a Sioux uprising in the shade. Before sunup, sleepers were jolted awake by dynamite blasts along the river. Along the main street, fair-ground performers exerted art and muscle on wooden platforms. Bands of bogus Indians

and scouts, troops of horrors clothed from local ragbags, patriotic floats blooming with the maidenhood of Keosauqua, passed in grand review. And all day long, there were detonations of firecrackers and inspirational oratory. The spicers on the bandstand reminded the hometowners of a pleasant truth; here, near the breast of the land, they were living the kind of life the Founding Fathers had in mind. In small towns everywhere, it was a day of community self-congratulation. Half a century later, it is a day consecrated to the itch to be elsewhere. In Keosauqua this week, most folks will go along.

At the edge of Keosauqua (an Indian name thought to mean Big Bend or half a dozen other things) a welcoming sign calls the town historic. The description is premature. Actually, the only thing that ever happened in Keosauqua was the honey war, a bloodless boundary dispute between Iowa and Missouri in which the prize at issue was a stand of bee trees. But the town is becoming historic. It is a living illustration of an unglamorously attractive way of life that is fading from the landscape.

On its outskirts, Keosauqua has a leafy likeness to a hammered-down Vermont, but the town is there because of the cornland out where the fields are flat. This puts it in an economic class where mortality is high. All across the U.S. map, the agricultural town is dying, and Keosauquans are haunted by statistics.

Everybody from the banker to the barber pulls population figures from his hat to deplore in exact terms the loss of 78 people between the census of 1950 and 1960. In Keosauqua, the question of survival has nothing to do with missiles and mushroom clouds. More immediately chilling are the ghosts of towns that surround it on every side. Down the river is Bentonsport, once a rival river town, now a hamlet of 60 people where the last business, a general store, closed 4 years ago. Pull the bell rope in the lovely old brick Presbyterian Church, deserted on its hilltop among soaring trees, and there is not enough life in Bentonsport to be startled by the sound. A flaking back number of the Keosauqua Republican, a weekly now gone, lists no fewer than 56 vanished towns in Van Buren County.

It takes little grounding in sociology to understand the erasure of so many small-print names from the American map. Autos and high-speed roads have put the bigtown bargain racks alluringly within reach. Small farms are extinct. Television, magazines, and movies have whipped up hungers smalltown life cannot pacify. Then, too, the small town has been on the defensive ever since the withering attacks of writers like Sinclair Lewis and H. L. Mencken at a time when the United States had rural attitudes and votes to thank for the historic idiosyncrasy of prohibition. In a smalltown portrait etched with their brand of acid, George Ade once wrote: "Down in the Ague Belt there was a town called Miasma. It needed paint, sidewalks, toothbrushes, and Bibles. Everybody in Miasma believed that the sun rose just in the edge of Widow Clevison's hog lot and set over on yon side of the sand ridge."

Today's small town has left Miasma behind. If a visitor to Keosauqua—gazing through the heat waves at its dusty main street—should remark that this looks like the rump of the universe, nobody will shoot him down. More likely, the townsman at his elbow—knowing that most American main streets look no more sightly—will laugh and agree. The town does have its beauty—in the encircling river and in the cluster of old brick buildings which crown its capitol hill, the administrative center of Van Buren County. But the attraction of the place, for those who live there, lies in the family-like pattern of its human relation-

ships. Here is the thing that makes the demise of the small town tragic and the heart of the city dweller ache with nostalgia. This is a place so small that nobody is one too many; where the pillars of government all have faces and first names.

"We're proud of Gene Hannan," somebody says. "Ten years ago, he used to be an alcoholic." Hannan, it so happens, is the town mayor, plumber by trade, a gray-haired man in glasses with a quietly self-contained air that lends dignity to a suit of striped overalls. There is no Roman Catholic Church in the town, but Keosauqua's homogeneous Protestants pay respect to the way Hannan's Catholic faith helped put him back together. In his fifth year as mayor, he handles an annual budget of \$65,000 for an annual salary of \$200. In the afternoon, the coffee drinkers at the Hotel Manning can watch the mayor of the town at work on top of a ladder as he mends a leak in the dining-room ceiling. On a Saturday night, he sits by himself on a store-front doorstep, gazing at Main Street and sadly noting that nothing shouts out the dying condition of the American small town like the absence of thronging humanity on the one big night of the week.

Whatever happened to Saturday night? In Graham's Department Store, a one-room jumble of drygoods, suitcases, and shoes, manager Don (Bud) Campbell sings a sour swan song for an American folkway. "In the old days," he grumbles, "I've fitted shoes in here until 1 o'clock in the morning and the street would still be full of farmers, leaning on the fenders of cars and chewing the fat. Then came the time when they'd say, 'Hurry up and get them socks in the sack; tonight we watch television.' There you have it, Paladin won out."

Next door at the Goodie Garden, home base for the town's teenagers, booths, and counterstools are empty; there is a drag race in Kahoka, Mo., just over the State line. Across the street at the filling station, a farm boy in dungarees—bare torso sunburned with the outline of a sleeveless undershirt—tries to hug a girl who fakes resistance. Two youths Indian wrestle. These are the last teenage stragglers in town this evening; and soon they too are off, caught up in the adolescent whirl which centers on the automobile. For the evening's finale, there is the lure of a motorized tag game through the streets of the sleeping town.

In a town with a clouded future, the young are important. The Little League is a religion, and when a Keosauquan speaks of "my favorite baseball player," his thoughts are probably no further away than the diamond out behind the high school. At the school, 50 percent of every graduating class, says district superintendent Kenneth Goodwin, go on to college or further training, and few of them will ever come back. For those who stay, there is an awkward time of restlessness just before the girls marry and the boys tie their lives to the land. Keosauqua is free of minority problems (it has two elderly Negroes) and the town clucks its tongue over Southern racial intolerance. But it does have a problem with lawless juveniles.

Of the six prisoners lodged in the county jail, one is the 17-year-old whose tousled blond hair and weebegone face is visible most of the day behind the bars of a second-floor window. Shirtless in the heat, he awaits hearing on a charge of breaking into the Brass Ball—one of the two local beer taverns—and scooping out the cashbox. To make the time pass, he has been reading the battered jailhouse Bible, and he is up to the Book of Judges. Astoundingly, this country kid in dungarees—the kind female contemporaries call "cute"—suffers from mal de Madison Avenue—bleeding stomach ulcers. His exasperated mother—with six others to look out for—has refused to visit him. He

wishes somebody occupied the other bare bunk on which Deputy Herschel Dickey is now sitting. "Well, son," says the deputy, sympathy in his slow voice, "the next time your father tells you to do something, just before you tell him to go to hell, you think of this place, will you?" It is the tone that officialdom takes in this town. Most of the prisoners in the county lockup call the sheriff by his first name.

Lacking a philosophical vocabulary, the typical small town dweller will declare that the values of his way of life come down to one thing—he knows and trusts his neighbors. The small town deserves to be kept alive says Jo. S. Stong, much respected Keosauqua lawyer, if only as a museum of decent human relations. Stong is the brother of Keosauqua's greatest celebrity—the late Phil Stong, author of the thrice-filmed novel "State Fair"—and a national official of the Boy Scouts who must make frequent trips to New York. One day on the sidewalk outside New York's Biltmore Hotel, Stong tried the experiment of walking a straight, unswerving course to find out if the onrushing horde would run him down. In the space of one block, seven people rammed into him, head down. "Here," he says, "we keep our heads up to speak to the people we know."

In a town that traffics in first names, the freedom from social rivalries is part of the pervading serenity. By any standard applicable in this country, John A. Manning—the quietly likable teller of the local bank—is the town aristocrat. It was his great-grandfather Edwin Manning—the commanding face in the hotel lobby portrait—who founded the town in 1835 by migrating from Connecticut to open a riverfront general store. From this grew the hotel, more stores, a chain of banks and a white pillared house still the grandest in town. The younger Manning lives behind the pillared portico—with wife and seven children—but the rest of the empire is gone with the wind, and he wears no patrician aura. Driving out among the cornfields to needle a farmer politely about an unpaid note on a truck, he makes classic confrontation of enemies—farmer versus banker—sound like a back country social call.

To the outsider, the tribal warmth of the place overpowers the drab physical aspect. Keosauqua is a town typified by the dust of the tin feed and grain signs, the tractor cultivators parked along Main Street, the sad little ramp at the back of a brick business block where animals come in to be butchered and stored in the meat lockers rented out to individual families.

But this is the world away from the lonely crowd. In illustration, Margaret Gray—reporter-bookkeeper-ad salesman for the weekly Van Buren County Register—tells of the time when her husband, Lloyd, lay hospitalized with rheumatic fever. Who sneaked the groceries into her parked car at night? Who sent her the \$40 check in the mail? Who left the baseball shoes on her desk for her son in the Little League? She never knew. This is the dwelling place—in the view of Fred Ovrom, who owns the town bank—of "the most contented men in the world." They are the small farmers who manufacture milk bottle carrying cases at the Barker Equipment Co.—the town's one industry—and work their farms after hours ("They do it the way you would play golf"). This is the small town that all hands vow is here to stay. "We've had meetings," says Bert Leck, the editor of the Register; "it's decided—we're not leaving."

On the broad map of the States, Keosauqua is only a speck, but there is a sweep of such specks from ocean to ocean, and in many of these, the mood is low. Sometimes the cause is a temporary setback only. For example, Sandwich, Ill. (population: 3,842)—a fairly lively town—was disappointed, after

raising \$100,000 for a high school agricultural workshop in 1954, to find only 11 students using it this year. In Hamlet, N.C., a town of roughly the same size, the troubles of the railroad are the local headache. According to Arnold Kirk, a local newspaperman, "It seems like the town has lost interest in everything. I believe it's on the verge of disintegration. We have even quit the Miss Hamlet contest." And, as an example of all-out despair, there is Deepstep, Ga. (population: 200), where Mayor Joseph Hilliard Veal reports: "We've lost our post office, we haven't had a baseball team in 30 years, all our young people are leaving. If we're growing, we're growing downhill, and even that's so slow that you can't hardly notice it."

Doggedly committed to hope, Keosauqua looks forward to a Federal recreation dam in the Des Moines River which will improve the boating and attract tourists. There is a lush State park across the river, and the town itself—with all its earthy homeliness—might appeal to the city folks who dream nostalgically of the origins they never knew. Just down the river in Bentonport, an intrepid couple, the Herbert K. Redheads, are working on a shoestring, trying to restore the old river port as another attraction. Turning an old riverboat inn into a museum, they live in rooms at the back, like oldtime delicatessen owners; they are curators of chamber mugs and headboards 10 feet high.

As the small town totters on the edge of darkness, such efforts count, and once in a while, there is help from outside. Since 1960, the University of Chicago (which normally is associated with nuclear chain reaction) has offered special scholarships to smalltown students, hoping that the kids will go back and become what the prospectus calls "the moral and civic leaders of their communities." Behind this is the sociologically unprovable but instinctively American feeling that the little town and the countryside are the source of civic energy for the Nation.

Or is this all moonshine and nostalgia? According to Sociologist Philip Hauser, "What the small town may have contributed in the past is one side of the coin; the other side is urbanism and the greatest opportunity in the history of man for him to reach his full potential. Where the small town kept him prisoner, urbanism gives him freedom of choice—choice of education, choice of profession, choice of marriage. If the small town is passing, we can't bemoan it."

In Keosauqua, however, at the hour when night is on the river and the cultivators have stopped rumbling across the old iron bridge at the edge of town, sociological cool reasoning is hard doctrine to take in. There are reasons why people stay here. Somewhere on the river bank, the Caruso of all whip-poorwills is making sounds that stand the hair on end. Looking from the bridge, past the old steamboat Gothic hotel—veteran of four floods—there are the lights of the quiet town—"all three of them," to quote a local wag. Sociologist, go home. This is the happy place, the blessed land.

PRAYER FOR THE UNITED STATES, WRITTEN BY PETER MARSHALL, FORMER CHAPLAIN OF THE SENATE

Mr. MILLER. Mr. President, the late Peter Marshall, Chaplain of the Senate, composed a prayer which I believe is particularly timely to bring to the attention of Senators and readers of the CONGRESSIONAL RECORD. I ask unanimous consent that the prayer may be printed in the RECORD.

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

PRAYER FOR THE UNITED STATES

(By Peter Marshall, Chaplain of the Senate)

O God, our Father, we pray that the people of America, who have made such progress in material things, may now seek to grow in spiritual understanding.

For we have improved means, but not improved ends. We have better ways of getting there, but we have no better places to go. We can save more time, but are not making any better use of the time we save.

We need Thy help to do something about the world's true problems—the problem of lying, which is called propaganda; the problem of selfishness, which is called self-interest; the problem of greed, which is often called profit; the problem of license, disguising itself as liberty; the problem of lust, masquerading as love; the problem of materialism, the hook which is baited with security.

Hear our prayers, O Lord, for the spiritual understanding which is better than political wisdom, that we may see our problems for what they are. This we ask in Jesus' name. Amen.

BUT WILL IT WORK?

Mr. MILLER. Mr. President, an editorial was published in the Wall Street Journal last April 10 entitled "But Will It Work?" This editorial discusses the planned deficit program which a tax cut without a cutback in spending would entail.

With the imminent consideration by the Senate of a tax bill, I believe it is timely for this article to be appraised. I therefore ask unanimous consent to have the article printed in the RECORD.

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

BUT WILL IT WORK?

A number of instances of overextended credit and other abuses have been in the news lately. Some are being corrected the hard way. Altogether they cast an interesting light on the theory, currently favored on high, that we can spend and lend ourselves into much greater prosperity.

Among other cases are the discounters who have gone bankrupt; the involvement of a couple of banks with a vending machine company charged with nonpayment of withholding taxes; a once-substantial manufacturer losing heavily under a management with numerous other financial interests and associations, not all of them sweet smelling.

But perhaps the most revealing is the waning of the great real estate boom. After World War II there was indeed a tremendous demand for construction of all kinds, and the Federal Government did everything possible to fuel it. It got so the officials couldn't stand it if housing starts, for example, threatened not to surpass the previous year's level.

The fueling was done generally by inflation in the earlier part of the period and easy money through most of it. Specifically it was done through ridiculously liberal downpayment and mortgage requirements and through tax inducements.

Taxes were rigged in such a way as to provide particularly warm shelter for syndicators—groups set up to buy office and apartment buildings. Some were overoptimistic about a constantly growing demand for space; others just got too smart for their own good. Anyway, syndication is in trouble,

and real estate generally is not as strong as it has been.

So here, as in the cases of corporate pyramiding and bankruptcy, some cardhouses are beginning to fall. Stern and inexorable economic reality is catching up with overexuberance or worse. To that extent it is a salutary development; timely correction of abuses can help avert big trouble later.

But from the standpoint of Government theory, it should not be happening. All these booms with their myriad opportunities for loose practice should be getting headier and headier, for that is what the Government preached with its fiscal and monetary policies throughout most of the post-war years.

Now, despite the failure of the theory, the Government offers a huge new dose of the same old stuff. We are promised large tax cuts mainly designed (but by no means guaranteed) to spur consumption when what is needed is a new growth of savings and investment.

With or without tax cuts we are to have deliberately planned Federal deficits for any foreseeable future; a \$12.5 billion deficit did not send the Nation roaring off into the wild blue yonder in fiscal 1959 but a \$12 billion one will surely do so in 1964. And apart from any small and temporary tightening, we are to have more easy money.

If ever there was a program for inflation, this is it. Only, in fact, as a program for inflation does it make any sense. For it is quite true that inflation can produce a boom, just as it is true that the merrier the inflationary binge the more depressing the hangover.

Unfortunately for politicians, inflation is not even that simple. It is an exceedingly mercurial quantity which will not necessarily come when wanted or do what it is supposed to do. There are signs that the big war and post-war inflation is about played out. Certainly the currently sinking real-estate and corporate ships could not be kept afloat even on the veritable flood of easy money the Nation has had.

Not being in the predicting business, we do not know whether the new economic policy will work. But it might just be that the most it will do will be to store up the fuel for an inflationary explosion not in 1963 or 1964 but in some inconvenient future years.

So perhaps the political economists ought to be asking not only if it is right to set out to defraud the people with inflation. They might also ask the pragmatic question of workability in the light of the post-war experience. If inflation is so sure to bring a perpetually expanding boom, then where is that miracle?

RADIO AND TELEVISION BROADCAST EDITORIALIZING

Mr. MILLER. Mr. President, the WOC Broadcasting Co., of Davenport, Iowa, recently produced an editorial which I believe is timely.

Much has been said and will be said on the subject of broadcast editorializing. I believe that most radio and television stations know the meaning of editorial responsibility and any editorial comment made falls well within the definition of fair play. In this connection, I ask unanimous consent that an editorial presented on the WOC stations of Davenport, Iowa, on August 1 and 2, be placed in the RECORD.

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

If certain Members of our Congress have their way, radio and television stations who

editorialize will be driven back to bland remarks about motherhood, milk, and the flag. Currently, signs point toward adoption by the House of an amendment to the Communications Act, an amendment that would deprive broadcasters of a considerable measure of editorial freedom. It seems to us that the prevailing mood of the House Commerce Subcommittee is quite apparent. These Congressmen want, at very least, a guarantee of immediate access to cameras and microphones if any station dares to criticize them. Some of these Congressmen would forbid broadcast editorials completely. This makes us wonder whether a few of our lawmakers believe their job security depends on public ignorance and immunity from criticism.

The fight of broadcasters to retain editorial freedom has been supported on the editorial pages of several newspapers. These papers, which do not face Government control of what they print, at least at this time, are asking Congress to protect the privileges of broadcasters, for fear newspapers themselves will some day feel the same editorial clamp-down now being threatened against the broadcast industry.

The New York Daily News calls proposed restriction of broadcasting editorials nothing short of censorship. To quote the New York Daily News exactly, that newspaper says it is in favor of radio and television editorials. The New York Daily News also cautions broadcasters to guarantee equivalent rebuttal from any dissenters. This, of course, we have done here at channel 6 and on WOC radio by soliciting and inviting contrary opinions to any editorial remarks we make.

To quote another newspaper, the much respected Wall Street Journal, the Journal editor recently said: "Now and then the viewpoints of some Congressmen and other Government officials affront our sense of justice and fair play. In fact, we may feel they don't know what they are talking about, and, sadly, we can't shut them off by just turning the page or flipping the dial."

Another highly pertinent and threatening note is sounded by the Washington News, which lately said that political power over broadcasters through ability to revoke licenses is already oppressive and inductive to timidity. The Washington News continued by saying that if Congress takes any action on airwave editorials it should guarantee them protection from the bureaucrats, rather than put them under some restraint.

We believe we have an answer as to whether broadcasters should editorialize. It came directly from Newton Minow when he was chairman of the FCC, and it has been lately restated by the new Commission Chairman, Mr. Henry. Mr. Henry believes that, according to his own statement, broadcasters now editorializing are conducting themselves fairly and with an eye toward the public service.

The New York Times itself has one brief comment on broadcasters editorializing. The New York Times simply says, "This is as it should be."

We here at the WOC stations believe that regulation of broadcast editorials would be an even more difficult job than enforcing the law which requires us to give equal time to political candidates. We don't believe, as a practical matter, that a station can give equal minutes to candidates any more than a newspaper can give equal column inches. That is to say, 10 o'clock today will be unlike 10 o'clock tomorrow, and page 1 today will be unlike page 1 tomorrow.

If you believe, as we do, that broadcasters have a right and responsibility to bring to you news interpretation as well as the news somebody may simply want you to hear—and the way he wants you to hear it—we then urge you to write your Congressman and your Senator and tell him that you believe there should be no restriction on the editorial privileges and rights of the radio and television stations that serve you.

This is our firm opinion. As always, you are welcome to utilize our facilities to contradict what we think. All it takes is a letter to the management.

HEALTH CARE FOR ELDERLY

Mr. MILLER. Mr. President, two recent editorials in Iowa newspapers on the subject of health care for the elderly merit the attention of Senators and readers of the CONGRESSIONAL RECORD. I do not know whether hospitalization or other medical care financed by social security will be pressed in the next session of Congress. I hope that it will not. I believe these editorials, one published in the Des Moines Register for November 30, 1963, and entitled "Health Care for Elderly," and the other published in the Sioux City Journal for December 6, 1963, entitled "Medical Care for Iowa Aged," point out the potentialities of a properly funded Kerr-Mills program to operate, because on December 1 this program went into full operation in my State.

I ask unanimous consent that these two editorials be printed in the RECORD.

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

[From the Des Moines Register, Nov. 30, 1963]

HEALTH CARE FOR ELDERLY

The Iowa program of medical care for the aged under the Kerr-Mills Act begins December 1, and Iowans can be proud of the comprehensive nature of the plan developed for this State.

The State-Federal program is intended to meet the health needs of persons 65 and over whose income and resources make them ineligible for the old-age assistance program but who need financial help because of illness. States participating in the program have broad latitude to determine the kind and extent of care provided their elderly citizens.

Many of the States have set up programs that fall far short of providing comprehensive health protection. Some sharply limit hospital care. (Kentucky allows just 10 days of care in a hospital.) Others fall to pay for drug charges or dental care. One State makes no provision for paying for physician services, and several will pay for this only when care is provided in outpatient clinics.

The Iowa plan ranks along with the plans of Hawaii, Massachusetts, New York, and North Dakota as among the most comprehensive in the country. All services provided by the licensed health professions are available to elderly Iowans under the program.

An Iowan needing hospitalization can be admitted to the hospital of his choice and receive care for an unlimited period of time. The program covers special nursing care in the hospital or at home. Eyeglasses, dental care, drug charges, and physician services in the hospital or office are among the many items included.

The major restriction is on nursing home care, which is limited to 180 days after hospitalization. The restriction is intended to prevent the transfer of old age assistance recipients receiving nursing home care under that program from being transferred to Kerr-Mills in order to take advantage of more favorable Federal matching formulas under Kerr-Mills.

The 180-day limitation should not deprive Iowans needing care beyond 180 days from receiving it. After using private resources to the point where they are eligible for old-age assistance these patients can continue

to receive nursing home care under that program.

No one can know with certainty how much this comprehensive program will cost or how many Iowans will take advantage of it. Eligibility requirements are fairly stringent; annual income of less than \$1,500 if single, less than \$2,000 if married; resources with a net market value of less than \$2,000 if single; less than \$3,000 if married—excluding the family home, furnishings, car, tools, and cash surrender value of insurance.

Investigations will be made by county welfare workers to verify financial status and contacts will be made with responsible relatives to determine their ability to help pay. No one can be considered eligible until he has first incurred medical expense of at least \$50 on his own in the preceding 12 months.

Many elderly Iowans can well afford to pay their own medical bills and will get no help from the Kerr-Mills program. But in a State that has the country's highest proportion of elderly persons, the program can help fill an important gap in health care. The broad coverage of the program will mean peace of mind to many elderly Iowans who now know that, no matter how severe or prolonged the illness, help is available in the institutions and by the physicians of their choice.

[From the Sioux City Journal, Dec. 6, 1963]

MEDICAL CARE FOR IOWA AGED

Iowa, leading State in the proportion of aged in its population with nearly 12 percent past 65 years of age, has embarked on a medical aid to the aged program which, happily under these circumstances at least, is considered among the most comprehensive in the Nation.

States participating in this program—a matching plan which for Iowa will mean an outlay of about \$2 million and a Federal portion under the Kerr-Mills Act of slightly more than that figure—are given broad latitude in determining the extent and form of a medical aid program.

Such discretion correctly should be left to the State, for those shaping the machinery designed to meet the medical needs of older persons are at the grassroots, where those needs can best be assessed.

Those receiving old-age assistance are not eligible for medical aid to the aged. Recipients will not receive money. Payment will be to hospitals, doctors, and agencies participating in bringing medical assistance to the elderly. Income limitations are severe, less than \$1,500 annually if single and less than \$2,000 if married.

Thus, Iowa's aged residents who qualify for aid through the medical aid to the aged program will be those who need and deserve the medical care and the security such assistance will afford.

A \$50 deductible clause is not expected to provide much of an obstacle since most older persons will have incurred that much in health services in the year preceding application.

Welfare officials hesitate to estimate the numbers who will apply for health services but suggest the figure could grow considerably when applicants become aware of the program's scope.

With the stringent checks and balances built into the program, Iowans who must help pay for medical services to the aged should feel their tax dollar well spent, for they should be aware that those senior citizens who avail themselves of the service are deserving of it.

Medical aid to the aged will fill an important gap in health care. It also will eliminate much fear and uncertainty among those Iowans who cannot qualify for old-age assistance but still are unable to pay their way along the broad avenue of medical needs which are bound to crop up after age 65.

OUR FOREIGN POLICY MUST BE REEXAMINED

Mr. MILLER. Mr. President, the necessity for a new and thorough re-examination of our foreign policy—as well as our foreign aid program—is sharply pointed up in articles which appeared today in Washington and New York newspapers. I believe that the United States, in drawing up its objectives, has too long overlooked one area—the identity of the future leaders of the nations involved. The State Department, the Defense Department, the Central Intelligence Agency spend millions and millions of dollars on intelligence gathering. But seemingly they neglect to obtain adequate dossiers on the men who will shape the events in various countries. It seems to me that if such dossiers were obtained, the State Department could more accurately forecast which way these leaders will go and how they will react under certain circumstances. In having this knowledge, we could very well avoid pouring millions of dollars of the taxpayers' money into nations which now spurn us.

One example is Cambodia. From fiscal year 1946 through fiscal year 1963, we channeled \$367 million into that nation—\$97 million in military aid and \$270 million in economic assistance. In fiscal year 1963 we handed it \$29.2 million of which \$10.4 million was in military aid. And now, Cambodia's chief of state not only tells us to keep our aid—which we should welcome—but is attempting to blackmail us in addition. The Washington Post today carried an Associated Press story which notes that Prince Norodom Sihanouk has threatened to sign an alliance with Communist China unless the West guarantees Cambodian neutrality. But what kind of neutrality can be anticipated if the Prince accepts, as he has indicated, armaments from Red China? It is no wonder that South Vietnam and Thailand, Cambodia's neighbors, view this action with alarm. One can only guess how different events would be if we had maintained a background file on this Cambodian leader?

Another case in point appears in an article in today's New York Times. After accepting \$95 million—\$79.6 million in fiscal year 1963 alone—in aid from the United States, Algeria has turned to the Soviet Union for assistance, apparently in the amount of \$100 million. At the same time, Alger radio denounces us for actions in Cuba, based on allegations stemming from the Castro government.

It is now becoming apparent that our foreign aid and foreign nations policies are backfiring. When this happens, Congress has the duty to investigate the programs and, in the absence of clear assurances of change by the executive branch of the Government, Congress has the duty to write safeguards and limitations into the authorization and appropriations bills. The President does not have a constitutional right of the unlimited discretion in the spending of the taxpayers' money on foreign aid.

I ask unanimous consent that the two articles, entitled "Cambodia's Sihanouk Threatens To Form Alliance With Red

China" and "Soviet Assures Algeria of Help" be printed in the RECORD.

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

[From the Washington Post, Dec. 30, 1963]

CAMBODIA'S SIHANOUK THREATENS TO FORM ALLIANCE WITH RED CHINA

(By Antoine Yared)

PHNOM PENH, CAMBODIA, December 29.—Prince Norodom Sihanouk, Cambodia's Chief of State, threatened today to sign an alliance with Communist China unless the West guarantees Cambodian neutrality.

If the West refuses, Sihanouk said, "We will be obliged to renounce our neutrality and negotiate a formal alliance with China."

Sihanouk charged the United States with opposing his plans for Cambodian neutrality and declared, "The American imperialists consider that we will not be independent unless we accept U.S. control of our national life."

In a policy speech opening a 3-day national congress, the Prince told 10,000 persons jammed into an open-air stadium: "We owe our survival only to the determined support and the firm promise of intervention in our favor by the People's Republic of China."

Sihanouk also made public today a speech he delivered Thursday in which he disclosed that China had offered to give Cambodia "a large quantity of armaments," but he gave no details.

"Cambodia has no material means to prove its gratitude to China," he declared. "Therefore, we shall continue to raise our voice to defend the rights of this great power."

He described China as peace loving and defended it against charges of expansionist aims.

In threatening today to negotiate a formal alliance with Peking, Sihanouk also held out hope that the West will agree to his demands for an international conference to guarantee Cambodian sovereignty.

"We only aspire to live in peace and in good friendship with all countries," he added.

Sihanouk has demanded a neutrality conference similar to the 14-nation Geneva Conference that guaranteed the neutrality of neighboring Laos.

His proposal was greeted with alarm by two other neighbors, warring South Vietnam and pro-Western Thailand. They denounced his bid as playing into Communist hands.

Sihanouk stopped just short of severing relations with the United States November 19 when he announced he would accept no more American aid and ordered U.S. economic and military personnel to leave Cambodia.

Washington has said it would study Sihanouk's demands for formal neutrality guarantees. Britain has endorsed the proposal.

In Saigon, South Vietnam's Foreign Ministry issued a communique today saying it would not participate in any international conference on Cambodian neutrality. It said the conference would be exploited by Communist propaganda and do Cambodia no good.

[From the New York Times, Dec. 30, 1963]

SOVIET ASSURES ALGERIA OF HELP—PROMISE OF AID IN ACHIEVING AN INDEPENDENT ECONOMY FOLLOWS MOSCOW TALKS

MOSCOW, December 29.—The Soviet Union promised today to help Algeria realize plans for an independent national economy.

The pledge was made in a joint Soviet-Algerian communique published tonight by Tass, the Soviet press agency, 24 hours after an Algerian delegation had left for a brief visit to Belgrade, Yugoslavia, before returning home.

No aid figure was mentioned but informed sources indicated that a credit of 90 million

rubles, or about \$100 million, was assured the country last fall. This is substantially less than the assistance granted by France.

The Algerian delegation received extremely cordial treatment during its 10-day stay in the Soviet Union. The trip included receptions, excursions through the country and visits with Premier Khrushchev.

ALGERIANS RETURN HOME

ALGIERS, December 29.—The 50-man Algerian delegation returned last night from the Soviet Union.

The group published a communique saying that Algeria and the Soviet Union would continue to fight colonialism and imperialism, work toward general nuclear disarmament, and cooperate in economic affairs.

Meanwhile, the Algiers radio had harsh words for Britain and the United States. The Government-run station charged in a broadcast that the British had deliberately provoked the present crisis in Cyprus.

The radio also charged that "the government of President Johnson has made its first attack on Cuba by sending anti-Castro pirates to destroy a Cuban ship."

Yesterday Cuba charged in a statement that U.S. Central Intelligence Agency saboteurs blew up a Soviet-built PT boat December 22 in Siquanea Bay of the Isle of Pines. The statement called this the Johnson administration's first act of aggression against Cuba.

Mr. MILLER. Mr. President, the direction which our foreign aid program should take is recommended in an article which appeared in the Fort Dodge, Iowa, Messenger, on December 23. Two words aptly sum up this direction: "self-help." If we can provide the impetus to self-help for those in the underdeveloped nations by providing them the tools to improvement of their lot, they will have a future of freedom and hope. The article reports on the activities of an African student at Wartburg College in Iowa. This young student believes self-help is the key to improving methods of production of farmers in his country of Kenya. He hopes to furnish farmers with rebuilt machinery obtained through Self-Help, Inc., a Waverly, Iowa, organization designed to provide low-cost equipment to farmers in developing nations.

With such an attitude, I believe that Ernest Abajah will succeed in his goal. It is refreshing to see that this future leader of Kenya does not feel that all his nation's problems can be solved through grants from the United States.

I ask unanimous consent that the article, "He Takes 'Self-Help' Seriously" be printed in the RECORD.

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

HE TAKES SELF-HELP SERIOUSLY

WAVERLY.—A young African student at Wartburg College is taking the term "self-help" seriously by trying to aid some fellow Kenyan farmers to improve their methods of production.

He is Ernest Abajah, a senior business administration and economics student who came to Wartburg from the Nyajouk Primary School in Kenya.

Abajah says he hopes to start a cooperative for the farmers and supply the cooperative with agricultural equipment.

The first step in his project is seeking funds to buy renovated machinery from Waverly's Self-Help, Inc., an organization

dedicated to rebuilding equipment for low-cost sale to farmers in developing nations.

Thus far, the young Kenyan said, he has received \$4,000 from the Maytag Foundation. He has letters out to 24 other foundations and philanthropic organizations.

Abajah said he plans to continue his letterwriting until he has the \$20,000 he believes is needed to start and supply four cooperative farm units of 200 acres each.

A NEW YEAR MESSAGE—ARTICLE "ALL THE WAY ACROSS" PROVIDES FAITH FOR THE FUTURE

Mr. RANDOLPH. Mr. President, the lengthy 1st session of the 88th Congress closes today. It has been a year of effort, of excitement, of partial failure, and of extreme sadness. The latter is understandable with the death of President John Kennedy.

On the eve of a new year we weigh the results of 1963, with its joys, its sorrows, and its challenges.

We examine and evaluate events which have occurred and the lessons we may have learned because of the truism that "hindsight is better than foresight."

There is a promise in the tomorrows—a new and strengthened spirit—a sense of service. These are elements that I sense as we depart from this Senate Chamber for a few days of rest and recreation and reflection.

Yesterday, in reading "Signs of the Times," a monthly magazine, I was sustained and given a mental and spiritual lift. The article, in the January 1964 issue, is by Sanford T. Whitman. I commend its message, and ask unanimous consent to have it printed in the RECORD.

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

"ALL THE WAY ACROSS"—A NEW YEAR MESSAGE (By Sanford T. Whitman)

It was a happy occasion, that evening hour on the vine-hung porch. Four friends of many years relaxed in the fatly cushioned rocking chairs, watching the day die, living again the times that used to be. The old man of the mountain, acknowledged patriarch of the butte country. His wife. Their two guests—former neighbors, now in retirement and visiting again the scenes and renewing the friendships of other years.

There were so many things to talk about: Children, grandchildren, young people grown up and gone away, old people gone to their final rest, aprons and flowers and bees, jellies and jams, gardens and picnics, summer droughts and winter sou'westers. After the limited horizons of apartment living, the visitors were overjoyed at the immensity of the panorama spread out below. And city lights offer no comparison to the star-studded splendor of a mountain night.

As the afterglow began to fade beyond the lofty domes and pitched-up ridges of the mountains to the west, the conversation turned to current events and the days ahead. The friends from the city were not hesitant to express an inner fear of what the future might hold for them.

Not for nought had this man of the high country lived his years on the humpbacked butte that dominated the central plain of the valley. His observant eye, his teachable mind, his meditative heart, and his unhurried pace of life had made him wise be-

yond his station. This matter of strength for the days ahead was a problem he himself had met and solved many years ago.

"No need to be anxious about the future," he said with quiet humility.

His guests were incredulous, yet eager to discover the source of such confidence.

"The days before us are like yonder mountains in the gathering night," he said. "High, dark, mysterious, formidable. Visible only in silhouette. Apparently impassable."

His guests did not immediately grasp his meaning, and he went on to explain.

"Men have built a modern highway across those mountains. And God has provided a way through the years to come. We cannot see the road that men have constructed—it's too far away, too dark. Because we can't see the road doesn't prove it isn't there. So with the road that God has made."

"The secret of getting to the other side is not that we can see the end from the beginning. The important thing is that we keep jogging along—a mile, a day at a time. No road will ever get us anywhere unless we use it."

How very true. To human vision the heights before us are untracked and untrackable. To human wisdom the difficulties are insurmountable, the high walls impassable. To human strength a crossing is out of the question. From the dangers, perils, and terrors which confront us on every side, there is no human escape, no passage around, over, under, or across.

And yet, hidden from mortal view, known only to God and, to us, visible only by faith, there is a way across. Long ago it was blue-printed and prepared. Today it is waiting. It begins right where we are and continues unbrokenly to the other side. It is the way of personal surrender to God and obedience to His will.

No road that man builds crosses a range of mountains in a straight line. Neither does the road that God has built. It turns and twists. It goes up and down. It bridges wild canyons. At times it seems narrow and steep. Sometimes it goes around, sometimes it goes over the precipitous walls. But at last it threads through the ultimate pass and leads down to the eternal plains beyond.

It goes all the way across.

It is not necessary that we see all the curves and ascents and dangers today. Indeed, it is better that we do not. It is enough, and it is best, that we see only 1 day—1 mile—at a time; that we rest in God's love as we walk by faith.

"Jesus saith, * * * I am the way, the truth, and the life," John 14: 6.

"Let not your heart be troubled," verse 1. The important point is that we keep jogging along. For no road, not even God's road to Heaven and home, will get us anywhere unless we use it.

"THE KENNEDY STAR"

Mr. MORSE. Mr. President, I ask unanimous consent that a poem written on the occasion of the death of President Kennedy be printed in the RECORD. It is titled: "The Kennedy Star," and was written by Rex Trowbridge of Sisters, Oreg.

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

THE KENNEDY STAR

There's a new star in heaven tonight,
An orb in outer space—silvery bright:
Symbol for all the world to see,
A martyr's mark, the light of liberty.

There's a new star in heaven tonight,
Triumph of right o'er the devil's might;
The roll of muffled drums, flags unfurled;
"Ring Freedom's Bell!" heartbeat of the
world.

Bells for our martyr—ring,
Marking mankind's travail:
"Oh death, where is thy sting?"
God's mercy will prevail.

"Flame of freedom," in heaven tonight,
Beacon of hope, and celestial light:
Let your heart be thrilled anew—
"The Kennedy Star" is shining for you.

ADDRESS DELIVERED BY MR. ALEX RADIN TO THE WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION OF SEATTLE, WASH.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD a speech given on December 12, 1963, to the Washington Public Utility Districts' Association in Seattle, Wash., by Mr. Alex Radin, general manager of the American Public Power Association.

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

REMARKS BY ALEX RADIN, GENERAL MANAGER, AMERICAN PUBLIC POWER ASSOCIATION, WASHINGTON, D.C., BEFORE ANNUAL MEETING OF WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION, SEATTLE, WASH., DECEMBER 12, 1963

Many things of great importance to your organization and to the Northwest have happened since your last annual meeting. Construction was begun on the Hanford atomic powerplant, and our late beloved President, John F. Kennedy, who played such an important part in the authorization of this project, was on hand to make the principal address at the ground-breaking ceremonies. The Bonneville marketing area bill has been approved by both the Senate and the House, with only one major difference—the Westland amendment—separating the conferees and preventing final agreement on the bill. Improvements were made in the Bonneville payout procedure, and the Bonneville marketing area was extended into southern Idaho. Oral argument was held by the Federal Power Commission on the Washington Public Power Supply System's application to build the Nez Perce project, and it is likely that the Commission will issue its decision shortly—perhaps before the end of the year. Great progress was made in securing Federal appropriations for interties between the Pacific Northwest and the Pacific Southwest, tying together three great Federal power systems—those of the Bonneville Power Administration, the Central Valley project in California, and the Colorado River storage project.

But the event of overriding importance for the entire country if not for the world was the tragic assassination of President Kennedy. Thus, many things have changed in Washington just within the period since November 22. President Kennedy is dead. Lyndon Johnson is our new Chief Executive. While major principles undoubtedly will remain the same, it seems inevitable that there will be some changes in policies, practices and personalities in the Federal Government, for no two men could be expected to conduct the office of the Presidency in precisely the same manner.

Despite conjecture about people and programs, there is a strong sense of continuity

in the transition of leadership. The distance between Boston and Austin may be great in terms of geography, but not necessarily in terms of philosophy. President Kennedy took pride in the fact that his administration had not permitted "another Hells Canyon blunder." President Johnson actively supported the high Hells Canyon Dam during his tenure in the Senate, and he had an excellent voting record on public power and rural electrification issues during his long service both in the House of Representatives and the Senate.

He cast a number of votes in favor of appropriations for Bonneville transmission lines, including those of a controversial nature. Twice he voted for authorization of a high Hells Canyon Dam as a Federal project. He voted in favor of TVA steamplants and TVA revenue bond legislation, and in opposition to the Dixon-Yates contract. He voted to authorize the Colorado River storage project. He indicated his support for local as well as Federal public power by voting for Senator MAGNUSON's amendment to authorize construction of Priest Rapids Dam by local public agencies, and for development of the Niagara project by the Power Authority of the State of New York. He voted in favor of the Gore-Holifield bill authorizing \$400 million and directing AEC to construct full-scale reactors. He has a strong record in support of REA appropriations, and many times has spoken out in favor of the rural electrification program.

Thus, President Johnson has a well-established voting record on issues of concern to this group. It is not 100 percent as we would see it, but it is certainly strongly sympathetic to the programs we have espoused for full development of the Nation's water and power resources.

The unity of purpose which has been exhibited by President Johnson in assuming his high office reemphasizes in clear, compelling fashion a lesson which we in the public power movement have learned on dozens of different battlefields: If we continue to push forward objectives prepared in the past and tested by time, we can ultimately secure the solid support which is essential to success in any endeavor.

Our goal has been, and still is, more power at lower cost for all Americans. This is one reason we support Federal multiple-purpose water projects including hydroelectric features. This is why we advance the idea of common carrier transmission facilities tying together great river basin systems. This is why we fight for the right of citizens' groups to form their own utility and supply themselves with electricity, if they desire to do so.

These programs for which many of you have struggled and won were implemented not simply because they happened to be good politics, but because they were good public policy. Every taxpayer and every ratepayer has a stake in insuring that the power potential of falling water at a damsite is not wasted or given away for exploitation. The 8,600-mile regional grid maintained by the Bonneville Power Administration and the postage stamp rate it permits are benefits to jobholders in every corner of the Northwest. Each homeowner and parent in the State of Washington is aided by the work of your public utility districts and other local public agencies in reducing residential and school rates by action and example.

Because these programs are good public policy, they have won backing from all across the country. The vote of a Congressman from New York City may be essential for the building of a dam on the Columbia River, nearly 3,000 miles from his home, just as TVA was a concept fostered by a Senator

from Nebraska. The economic leverage of inexpensive electricity is an idea supported by businessmen and scholars who may never see or hear of Bonneville Dam. Support for the principles of FUD's comes from union members in States throughout the Union.

And because these plans and projects furthered a common cause, representatives of consumer-owned electric systems from Florida to Maine, from Massachusetts to Texas and California, have contributed a portion of their time, effort, and prestige to help insure their implementation. Among the staunchest defenders of the preference clause are men who do not expect to ever buy or sell a kilowatt-hour of Federal power.

One of the major power issues before the current Congress is the proposed interconnection of the Northwest and the Southwest.

All parties to the controversy agree that such a tie is not only technically feasible and desirable, but also that it possesses enormous economic potential. Studies show that extra-high-voltage transmission facilities could pay for themselves in 10 short years. Estimated benefit-cost ratios run as high as 4 to 1. A hydroelectric project which could show this kind of values would be considered a rare find. The lucrative nature of this interconnection is indicated by the fact that no less than seven separate non-Federal proposals have been submitted for construction of all or part of the needed facilities.

All parties interested in the intertie agree that it will be built. Its possibilities for beneficial use are extensive. It would permit sale in California and the Southwest of energy surplus to the needs of the Northwest; last year, Federal dams on the Columbia River and its tributaries spilled water that could have produced \$33 million worth of power at standard BPA rates—a sum almost twice the BPA deficit for that year. It would allow sale of the Northwest's excess peaking capacity. It would provide a means of obtaining Southwest off-peak steam to firm up substantial quantities of Northwest secondary power. It would encourage exchanges of power to take advantage of diversity in peak loads between regions.

All parties involved in the intertie proposals agree that the Northwest should be assured protection against the draining of one of the region's richest resources—its hydroelectric potential—developed and undeveloped.

What all parties do not agree upon is who should build these intertie facilities.

Our association has supported Federal construction of this regional connection. No other individual entity or combination can provide the same financial advantages—either to the Federal Government or non-Federal users. Three major Federal power systems—BPA, the Central Valley project in California, and Federal dams in the Colorado River Basin—could be linked for mutual benefit of all affected areas, and the greatest possible return on taxpayer investment in existing projects. Bulk of the exportable surplus power in the Northwest is at Federal dams. Federal facilities would be common carrier, available to all at cost. Prevention of monopoly could be assured.

While I believe that Federal interties offer the greatest advantages to electric consumers and to the national welfare, we are realistic enough to know that there are obstacles yet in the way of securing final approval and appropriations for Federal lines. For this reason I am pleased that consideration is being given by local public agencies and rural electric co-ops to alternative proposals for construction of interties by consumer-owned groups, in the event that we do not achieve complete success for the Federal lines. The study and consideration of these

alternatives by consumer-owned utilities should not, however, diminish in any way our continued support for the Federal lines, which still offer the best alternative.

During the last few weeks there have been encouraging actions in the Congress which have advanced the prospects for efficient, effective, and equitable interconnection. But many obstacles remain. The House of Representatives adopted an amendment to the regional preference bill which requires new authorization for any Federal intertie.

To my knowledge this amendment was not requested by the people of the Northwest, although it was sponsored by Congressman WESTLAND of your State. I have seen no public statement to indicate that either private or public power spokesmen in this region asked for this block to construction of these lines. To my knowledge it was not sought by consumer or producer interests of the area; in fact, I see no way by which this provision would be of benefit to the Northwest. It is apparently an appendage added to a bill upon which you had previously secured agreement throughout the Northwest. The only interests that it serves are those of the private power companies of California. I believe that you should vigorously oppose this amendment.

Why is the amendment objectionable?

This amendment is not germane to S. 1007, which would define the primary marketing area of the Bonneville Power Administration and establish ground rules for the transfers of power between the Northwest and other areas.

No hearings were ever held on the amendment so that opponents might have an opportunity to present their side of the case.

The amendment is prejudicial to Federal construction of an intertie but favors non-Federal construction.

It weakens the bargaining position of the Secretary of the Interior in trying to obtain the best possible arrangements for the Federal Government and preference customers.

The amendment constitutes a deauthorization act. It takes away existing authority of the Department of the Interior to build feasible and desirable transmission lines.

It is a block to the most effective marketing of northwest surplus power, and can only delay realization of maximum revenues needed to reduce and eliminate the BPA deficit.

Full congressional review of intertie proposals has been carried out by the Appropriations Committees of both the House and the Senate. These committees recommended appropriation of \$8.5 million to initiate construction, subject to approval of S. 1007. But retention of this amendment will kill Congress beneficial action.

The effect of the amendment is simple to grasp. What would happen if every transmission line proposed by the Bonneville Power Administration were subject to individual legislative review—in addition to passing through the normal appropriations process? What if each transmission proposal had to gain approval by the House and Senate twice? The opportunity for killing off an advantageous program is automatically doubled.

Furthermore, is it not possible that the Westland amendment could be a double-edged sword? If it is logical for Congress to specifically authorize as well as appropriate funds for lines outside of the Bonneville area, could it not be argued later by opponents of your program that Congress also should be required to authorize transmission lines within the Bonneville area? These are the types of issues that arise when this Pandora's box is opened.

There are many outside your region who wish to work with you in creating an intertie which will aid all parties. I do not be-

lieve they seek to steal Northwest power; they want to buy your surplus and have agreed to accept the protections which you believe are needed. They look forward to exchanges of power which will be of help to every participant—and this is undoubtedly the long-range future of such a tie.

I urge that you continue to strengthen your contacts with your friends in these other areas and work together for a program which will prove of value to everyone. This is the kind of thing which public power has stood for in the past, and for which your own organization has worked so diligently.

It is a cliché, but worth repeating, even so: In unity there is strength. Unless all can benefit, then everyone may suffer.

Net benefits to the Northwest for this interconnection could run as high as \$872 million over the next 50 years. The Southwest could realize net benefits of up to \$883 million over the same period.

It is estimated that revenues to Bonneville Power Administration in the first 10 years would average \$24.5 million annually. In a region facing the first boost in Federal power rates since 1937, this is a meaningful figure, and represents a goal which I believe is worthy of your wholehearted support.

Reflecting now upon the intertie issue, my thoughts go back to a dramatic talk given by Glenn Lee, publisher of the Tri-City Herald, at a dinner after the groundbreaking ceremonies for the Hanford project. With his typical enthusiasm Glenn painted a vivid word picture of his dreams of a western empire stretching from Alaska to Mexico—a prosperous empire that could be the Ruhr of the West. It seemed to me, as Glenn spoke, that the Pacific Northwest, with its vast hydroelectric resources, its coal deposits and its great potential for atomic power, could be the hub of this western empire. But it could become this hub only if its great power resources are interconnected with those to the north, the east, and the south. Thus, in my opinion, the interties are a key to your area's future development. The kind of dream pictured for you by Glenn Lee has been transformed into reality in the past by the great leaders of your area and of your own organization. I am confident that you will have the insight, the tenacity, and the dedication to the public good that will make this new dream a reality, too.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. MANSFIELD submitted a resolution (S. Res. 244), which was considered and agreed to, as follows:

Resolved, That notwithstanding the final adjournment of the present session of the Congress, the President pro tempore of the Senate be, and he is hereby, authorized to make appointments to commissions or committee authorized by law, by concurrent action, of the two Houses, or by order of the Senate.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, December 21; Tuesday, December 24; and Friday, December 27, 1963; was dispensed with.

NOTIFICATION TO THE PRESIDENT

Mr. MANSFIELD. Mr. President, your committee just appointed to join a simi-

lar committee appointed on the part of the House of Representatives to notify the President of the United States that the Congress is ready to adjourn unless he has some further communication to make to them, anticipating this situation, has heretofore so notified the President, and he informed us that he had no further communication to make to the Congress at this session.

The President seemed to be in good spirits, good health, and full of vim, vigor, and vitality.

STATEMENT OF APPRECIATION OF THE MINORITY LEADER

Mr. MANSFIELD. Mr. President, before the Senate adjourns, I wish to take this occasion to pay a personal compliment to my distinguished colleague the minority leader, the Senator from Illinois [Mr. DIRKSEN]. When I speak of the record of this Congress, I do not speak of a Democratic record, nor do I speak of a Republican record. I speak of a record made by the entire Senate. No one could have been more cooperative, more understanding, and more tolerant than the distinguished minority leader. To name only two of the occasions which come to my mind, one was the nuclear test ban treaty, and the other the bill providing financial participation in the United Nations. No one could have been more understanding, more cooperative, and more patriotic in his outlook than my distinguished colleague.

I consider myself extremely fortunate to have the privilege to sit opposite him and to work with him in behalf of the Nation. I take this occasion publicly to thank him for all that he has done to make this task more tolerable and easier than it has been in years gone by.

ADJOURNMENT SINE DIE

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate stand adjourned sine die.

The motion was agreed to; and (at 2 o'clock and 18 minutes p.m.), Monday, December 30, 1963, pursuant to House Concurrent Resolution 248, the Senate adjourned sine die.

ENROLLED BILL SIGNED AFTER SINE DIE ADJOURNMENT

Under authority of House Concurrent Resolution 249, the Acting President pro tempore, on December 31, 1963, signed the enrolled bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, which had previously been signed by the Speaker of the House of Representatives.

APPROVAL OF SENATE BILLS AND JOINT RESOLUTION AFTER SINE DIE ADJOURNMENT

The President of the United States, subsequent to sine die adjournment,

notified the Secretary of the Senate that on December 30, 1963, he had approved and signed the following Senate bills and joint resolution:

S. 1014. An act for the relief of Mrs. Joyce Mark Bouvier and Paula Bouvier;

S. 1096. An act for the relief of Mrs. Susanna Grun (Susanne Roth);

S. 1175. An act to revise the boundaries of the Carlsbad Caverns National Park in the State of New Mexico, and for other purposes;

S. 1319. An act to amend chapter 35 of title 18, United States Code, with respect to the escape or attempted escape of juvenile delinquents;

S. 1838. An act for the relief of Hannah Robbins;

S. 2311. An act to provide for the preparation and printing of compilations of materials relating to annual national high school and college debate topics; and

S.J. Res. 113. Joint resolution to authorize the President to issue annually a proclamation designating the first week in March of each year as "Save Your Vision Week."

NOMINATIONS

Executive nominations received by the Senate December 30, 1963:

POST OFFICE DEPARTMENT

Tyler Abell, of the District of Columbia, to be an Assistant Postmaster General, vice Sidney W. Bishop, elevated.

INTERNAL REVENUE SERVICE

Sheldon S. Cohen, of Maryland, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service).

EXTENSIONS OF REMARKS

What Is Wrong With the John Birch Society

EXTENSION OF REMARKS

OF

HON. RALPH R. HARDING

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 30, 1963

Mr. HARDING. Mr. Speaker, the John Birch Society is in the midst of an all-out campaign to recruit new converts in Idaho. They are stepping up their public meetings, newspaper advertising, and other efforts to attract Idahoans into the society.

Inasmuch as Idahoans are writing to me inquiring just what is wrong with the John Birch Society since it is supposedly anti-Communist, I include at this point in the RECORD an open letter to me published on November 11 in the Blackfoot News and my answering letter on this subject:

[From the Blackfoot News, Nov. 11, 1963]

AN OPEN LETTER TO CONGRESSMAN HARDING

DEAR CONGRESSMAN: The press has devoted a lot of energy toward denunciation of the John Birch Society during the past 2 years. So have you and many of your colleagues. There must be a lot of information about the Birchers that the average newspaper reader has not had an opportunity to glean.

My point is this: If the Birch Society is as despicable as the news media would have us believe, we are entitled to know what the aims of the society are. I am assuming that your outspoken criticism of the John Birch Society comes from a precise knowledge of their aims and desires.

Would you please explain the creed of this society so that the "intelligent" people of southern Idaho can become as well informed as yourself and possibly join you in their denunciation.

MAX COVINGTON.

BLACKFOOT, IDAHO.

Mr. MAX COVINGTON,
Blackfoot, Idaho.

DEAR MAX: When I returned from Idaho to Washington after the assassination of President Kennedy, I found your open letter to me published in the Blackfoot News on November 11 on my desk. I have purposely delayed answering until after the official mourning period for our beloved President had expired.

In a speech I delivered in the House of Representatives on September 25, I included

a brief of Mr. Welch's book, "The Politician," which had been prepared by an outstanding young Republican attorney who is a member of the same 70's Quorum that I am a member of in the Potomac Stake. I believe that his brief exposes what is wrong with the first of the John Birch standard works, "The Politician." In this book Mr. Welch has made radical accusations. Not only has he accused many loyal Americans of being Communists, but he has also charged that the Congress, the executive branch, and the Pentagon itself are in the control of the Communists.

I quote directly from Welch's book, "The Politician":

"This door to betrayal is known to be wide open; and nobody—in Congress, in the executive branch, in the Pentagon itself—nobody even dared to try to close it. Those who want it kept open are too completely in charge. And this is just one more indication of how powerful the Communist influence has now become in almost all of our Federal agencies" (p. 285).

Even more radically stated, Mr. Welch accused President Roosevelt of being used by the Communists without his knowledge, President Truman of being used by the Communists with his knowledge, and President Eisenhower of being a Communist. Again I quote from "The Politician":

"The Communists can now use all the power and prestige of the Presidency of the United States to implement their plans, just as fully and even openly as they dare. They have arrived at this point by three stages. In the first stage, Roosevelt thought he was using the Communists, to promote his personal ambitions and grandiose schemes. Of course, instead, the Communists were using him; but without his knowledge or understanding of his place in their game. In the second stage, Truman was used by the Communists, with his knowledge and acquiescence, as the price he consciously paid for their making him President. In the third stage, in my own firm opinion, the Communists have one of their own actually in the Presidency. For this third man, Eisenhower, there is only one possible word to describe his purposes and his actions. That word is treason" (p. 268).

Max, I want to point out that even though I feel it necessary to call to the attention of the people in my district these harsh, extreme, un-American statements of Mr. Welch and the John Birch Society, I feel no hatred in my heart toward them. Rather, the feeling is that I have for the leaders of this society is one of pity. I realize that they hate me for I have received many letters telling me so. But I do not hate them; I pity them.

The above two quotations are directly from Mr. Welch's book, "The Politician." This book and "The Blue Book" comprise the primary standard works of the Birch Society.

An outstanding eastern Idaho radio executive has carefully read and reviewed "The Blue Book" for his listeners. Gene Shumate, the owner-manager of station KRXX at Rexburg, Idaho, is a courageous, loyal American. Our political philosophies are often in disagreement, and we have taken turns attacking the views of each other over his radio station, yet I have the highest regard for Mr. Shumate and for the fine service that he is rendering to his listeners. Mr. Shumate is well aware of the fact that an informed people will remain a free people. That is why he attempted to inform his listeners of the contents of the John Birch Society's "The Blue Book."

I would like to refer you to those portions of Mr. Shumate's broadcasts on November 10, and November 17, referring to "The Blue Book."

"KRXX EDITORIAL—NOVEMBER 10, 1963

"Let me tell you something about the John Birch Society. And most of what I tell you will be from 'The Blue Book,' the primer of the society. I secured a copy on loan from the library of the Idaho State University in Pocatello. The copies are hard to come by.

"John Birch, himself, died several years before the founding of the society that carries—as far as I am concerned, 'be-smirches'—his name. He was an American, a Baptist missionary, in China, and he was killed by the Chinese Communists. He was a martyr for Christianity.

"A book was written about him by Robert Welch. Welch was an unsuccessful political aspirant in Massachusetts, but a successful businessman.

"On December 9, 1958, he called a meeting of 11 men in Indianapolis. It was at this meeting the John Birch Society was formed. The 11 men are not named in 'The Blue Book.' The book itself is a compilation of lectures he gave during the 2 days with the 11 men.

"In his introductory remarks, he made such statements as, 'To anybody who has watched the way the administration moved heaven and earth to keep McCarthy from getting at the Army Loyalty Board . . . it was clear that treason . . . is widespread and rampant in our high army circles.'

"I am not going to attempt to quote all the statements in their entirety, because they are too long for listening. You could charge me with quoting out of context, but I don't think I am missing the essentials of Welch's remarks.

"His rather lengthy introduction deals with the danger of communism in this country. He says at one place, 'This octopus (meaning communism) is so large that its tentacles now reach into all of the legislative halls, all of the union labor meetings, a majority of the religious gatherings, and most of the schools of the whole world.'

"Welch deals with religion to a great extent and has one entire chapter on his religious philosophy. It is obvious that anyone who is not a Fundamentalist is suspect to him. Also in the introduction, to prove his point about how communism has taken over this country, he said, 'Fully one-third of the services in at least the Protestant churches of America are * * * watering down the faith of our fathers * * * converting Christianity into a so-called social gospel * * * an advocacy of the welfare state by Socialist politicians. Some actually use their pulpits to preach outright communism.'"

"I will interrupt here to explain that apparently a Communist is anyone whom Welch calls a Communist."

"I will also interrupt to say that much of what Welch says about communism and about government can be agreed with. It's when he comes to how evils should be coped with that the John Birch Society becomes frightening. As I said last week, 'I am reading the "Blue Book" because 40 years ago I missed "Mein Kampf" and I don't want to make the same mistake again.'"

"Section 4 of the 'Blue Book' is entitled, 'So, Let's Act.' In this section he for the first time outlines what the John Birch Society should do. He has 10 points. Again, I will abbreviate in the interest of time."

"Point 1. Establish reading rooms; provide 100 books of anti-Communist nature. He said, 'How many books each of these reading rooms would have, especially which books, and under what arrangements, would of course have to be tightly controlled from headquarters.'"

"You will notice throughout the 10 points how 'headquarters' is to make the decisions."

"Point 2. 'We would see that the circulation of the conservative periodicals was expanded as rapidly as it could be done without too much waste.' The periodicals he mentions are: American Opinion, published by Welch, National Review, Dan Smoot Report, and Human Events. The society would see to it that these periodicals are placed in doctors' and dentists' offices, fraternities, and barbershops, but the barbershop proprietors would have to sign a pledge they would display the magazines."

"Point 3. Support, maintain, and increase the number of stations using such radio programs as Fulton Lewis, Clarence Manion, and dozens of more localized broadcasters throughout the country. 'This would take the form of encouraging sponsors by both patronage of their products and letters of approval; of praising stations and networks for carrying such programs; of getting together groups to hear such broadcasts; by helping to raise money when absolutely necessary to keep such programs or present stations and get them on more.'"

"Point 4. 'We would institute the organized planning and control to make full and effectively, coordinate use of the powerful letter-writing weapon that lies so ready at hand. The letterwriting of subgroups should not be left to the haphazard or halfhearted following by the members of hopeful pleas or suggestions. It should be definitely planned, directed, and the amount and promptness of participation constantly checked and evaluated by a central headquarters or director.'"

"Point 5. 'We should organize fronts—little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts.' Welch gives some examples: 'Committee for Withdrawal of Recognition,' 'Committee To Protest the Firing of Medford Evans,' Evans was a professor of Northwestern State College in Louisiana, 'A Petition To Impeach Earl Warren,' 'A Committee To Investigate Communist Influences at Vassar College,' 'Women Against Labor Union Hoodlumism,' 'A Petition to the

Airplane Pilots Association To Grow Up,' and 'Please, Mr. President, Don't Go.' The last was in reference to a summit conference."

"Point 6. Start shocking the American people into a realization of what is happening. Welch gave an example of what he would do. He said, 'There is the head of one of the great educational institutions in the East whom at least some of us believe to be a Communist. Even with \$100,000 to hire sleuths to keep him and his present contacts under constant surveillance for awhile, and to retrace every detail of his past history, I doubt if we could prove it on him. But, with just \$5,000 to pay for careful research, I believe we could get all the material needed for quite a shock. Of course we would have to satisfy ourselves completely as to whether our guess had been correct, from the preliminary research, before going ahead with the project and spending that much money. But if we are right, and with the research job done, we would run in the magazine an article consisting entirely of questions to this man, which would be devastating in their implications. The question technique, when skillfully used in this way, is mean and dirty. But the Communists we are after are meaner and dirtier, and too slippery for you to put your fingers on them in the ordinary way.'"

"Even if I agreed with the rightfulness of the other 10 points—and I don't agree with any of them—I would recoil from such a society as could accept point 6. It is the most un-American of them all."

"Point 7. 'Send observers to lectures by those opposing militant anticommunism and have observers confound the speakers.'"

"Apparently the same tactic of unanswerable questions would be used here. It should work well in our churches."

"Point 8. 'Organize a lecture bureau made up of prominent people who speak on specific subjects, but which could still carry a strong anti-Communist message. This, like everything else we are talking about, is a matter of planning, supervision, and control.'"

"Point 9. Welch was a little vague in this one, I thought, but from what I got out of it the point was to 'extend our body into other countries.'"

"Point 10. 'Put our weight into the political scales in this country as fast and as far as we could.'"

"Those are the 10 points of action of the John Birch Society. Welch has some ideas on what the ideal government would be. I will get to those next week."

"But let me sign off today with the point again that throughout the 10 steps, the control from headquarters is essential. There must be one guiding genius. Who is this paragon? Welch answered that question to his 11 listeners, too. He said, later in the book, 'Because I know in my own mind, beyond all doubt or question, that without dynamic personal leadership around which the split and frustrated and confused forces on our side can be rallied, rapidly and firmly, we do not have a chance of stopping the Communists before they have taken over our country. It is not that you would choose me, or that I would even choose me, against other possibilities. It is simply that under the pressure of time and the exigencies of our need you have no other choice, and neither do I.'"

"That's what he said. That is why I have compared Robert Welch's 'The Blue Book' of the John Birch Society with Adolf Hitler's 'Mein Kampf.'"

"KRXK EDITORIAL, NOVEMBER 17, 1963"

"Today we continue with the 'Blue Book' of the John Birch Society. Last Sunday I went over the 10 organizational points laid

down by Robert Welch in his outline for the 11 men in Indianapolis on December 9, 1958."

"Again, I will devote myself to his book without getting into the strange acts and words of some of his followers; the spitting on Adlai Stevenson, the calling of President Eisenhower and General Marshall Communists, the vitriolic letterwriting to Congressmen and Senators. In 'The Blue Book' Welch does not deal with Eisenhower. He does devote considerable time to the advisability of impeaching Supreme Court Justice Earl Warren. And he does designate himself as the only effective leader of a society that will ultimately rule the country. I will repeat his quote on that subject, 'Because I know in my own mind, beyond all doubt or question, that without dynamic personal leadership around which the split and frustrated and confused forces on our side can be rallied, rapidly and firmly, we do not have a chance of stopping the Communists before they have taken over our country. It is not that you would choose me, or that I would even choose me, against other possibilities. It is simply that under the pressure of time and the exigencies of our need you have no other choice, and neither do I.'"

"Mr. Welch spoke well of Senator BARRY GOLDWATER in 1958. First he selected him and then rejected him as the savior of the United States * * * again leaving only himself."

"I am going to quote extensively now. In his chapter on 'Under Positive Leadership' he said, 'BARRY GOLDWATER has political know-how and the painstaking genius to use that know-how with regard to infinite details. He is a superb political organizer, and inspires deep and lasting loyalty. He is absolutely sound in his Americanism, has the political and moral courage to stand by his Americanist principles, and in my opinion can be trusted to stand by them until hell freezes over. I'd love to see him President of the United States, and maybe some day we shall. But does anybody in this room think there is any slightest chance of BARRY GOLDWATER supplying the dynamic overall leadership needed to save this country for anybody to be President of? If so, I think he is still not fully aware of the nature and totality of the forces at work. For GOLDWATER, by the very circumstances of his political success, present prestige, and the expectations of his supporters, will inevitably think and move in terms of political warfare. Even if he personally should reach the point and the understanding of wanting to consider political action as just a part, no matter how important, of much broader overall action, how much chance do you think there is that his friends and supporters would let him step out of the strictly political role in which he has been so successful? How much chance is there that they would let him build and utilize forceful leadership on all of the other fronts where we must fight the Communists? How many of the steps which we discussed yesterday afternoon, and which I am sure must be taken if we are to have any chance at all, do you think you could count on BARRY GOLDWATER's leadership to bring about, no matter how much he was beseeched, and no matter how much he himself came to feel inclined, to do so?'"

"Robert Welch in his 'Blue Book' later says, 'As you look more and more carefully into the hopes that have been bred, and the disappointments that have followed, throughout the political performances of these 20 years, you come increasingly to realize the wisdom of the old advice: 'Put not your faith in politicians.' We shall have to use politicians, support politicians, create politicians, and help the best ones we can find to get elected. I am thoroughly con-

vinced, however, that we cannot count on politicians, political leadership, or even political action except as a part of something much deeper and broader, to save us."

"It seems obvious to me that Robert Welch has no faith in a representative form of government. He has just said as much. But he says more. He says, 'The John Birch Society is to be a monolithic body. A republican form of government or organization has many attractions and advantages, under certain favorable conditions. But under less happy circumstances it lends itself too readily to infiltration, distortion, and disruption. And democracy, of course, in government or organization, as the Greeks and Romans both found out, and as I believe every man in this room clearly recognizes—democracy is merely a deceptive phrase, a weapon of demagoguery, and a perennial fraud.'

"For withstanding the stresses and strains of internal differences and external animosities, throughout changing political climates over long periods of time; for the building of morale and loyalty and a feeling of unified purpose and closely knit strength; for effective functioning in periods of crisis and a permanence of high dedication throughout more peaceful decades; for these and many other reasons, the John Birch Society will operate under completely authoritative control at all levels. The fear of tyrannical oppression of individuals, and other arguments against the authoritarian structure in the form of governments, have little bearing on the case of a voluntary association, where the authoritative power can be exercised and enforced only by persuasion. And what little validity they do have is outweighed by the advantages of firm and positive direction of the Society's energies. Especially for the near future, and for the fight against communism which is the first great task of the Society, it is imperative that all the strength we can muster be subject to smoothly functioning direction from the top. As I have said before, no collection of debating societies is ever going to stop Communist conspiracy from taking us over, and I have no intention of adding another frustrated group to their number. We mean business every step of the way.

"A page later, elaborating on this, Welch said, 'Those members who cease to feel the necessary degree of loyalty can either resign or will be put out before they build up any splintering following of their own inside the Society. As I have said, we mean business every step of the way. We can allow for differences of opinion. We shall need and welcome advice. And we expect to use the normal measure of diplomacy always called for in dealing with human beings. But whenever differences of opinion become translated into a lack of loyal support, we shall have short cuts for eliminating both without going through any congress of so-called democratic processes.'

"And with this, I will end the quotations of Robert Welch in 'The Blue Book' of the John Birch Society.

"I wish that this book was in popular distribution. I don't know of many of them available to the public. I borrowed a copy from the Idaho State University Library and must now return it.

"I wish that everyone could and would read it, but I realize that's wishing much too much.

"If I were to review the basic tenets of the John Birch Society, as outlined in 'The Blue Book,' I think I would do it briefly, like this: Communism is evil. A Communist is one whom Robert Welch says is a Communist. The representative form of government is ineffective. Robert Welch is effective. Therefore, Robert Welch should head the Govern-

ment and the John Birch Society should be the Government. The public is not to be trusted. Therefore, don't trust them. Robert Welch believes in God. And so can you, so long as your God is the same as Robert Welch's.

"So let's all join the storm troopers and live happily ever after."

I recently told a group of high school students to be interested in our government, to investigate the political philosophies of the two parties in order to find which party most nearly matched their own thinking and to become active in it. I counseled them that this was the advice I would give my own son. I would be most proud if, after reading American history and American political thought, he made a decision on his own to be an active worker in the Republican Party. However, naturally I added that I would be even more proud if he decided to become active in the Democratic Party. Both of our two political parties are composed of dedicated Americans working for a better America.

Since the death of our beloved President Kennedy, we have seen the unity that has existed between leaders and elected officials of both the Democrat and Republican Parties.

However, I counseled these students to avoid extremists. The Communist Party U.S.A., the Socialists, the Fair Play for Cuba organization and other extreme left-wing groups have done nothing to build America. In many instances they make their programs appealing to young people, following the Devil's technique of telling 99 truths to get a person to believe 1 lie. But I know that anyone who becomes affiliated with one of these groups, either through deceit, misinformation, or bitterness, will live to regret it.

The same is true of the extremists on the right. We have seen George Lincoln Rockwell and his American Nazi Party, Elijah Muhammad and the Black Muslims, Robert Welch and his John Birch Society, and other extremists who again will use the vicious technique of telling 99 truths to get a person to believe 1 lie that will ruin his life should he accept it.

We have no need of extremism on either end of the political spectrum. It is for this reason, Max, that I have felt it my duty as an elected Representative to speak out against political extremists. After reading "The Politician" and "The Blue Book" which are the standard works of the John Birch Society, I have made the speeches in opposition to the views of the society.

Sincerely yours,

RALPH HARDING,
Member of Congress.

Finnish Government Honors Photographer

EXTENSION OF REMARKS OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, December 30, 1963

Mr. WILLIAMS of New Jersey. Mr. President, recently a man who has earned the respect of all the Members of the Senate and who is held in deep affection by all of us was signally honored by a nation that has endured cen-

turies of national tragedies but which has always been a nation of indomitable courage.

His Excellency, R. R. Seppala, Ambassador of Finland, presented the Order of the Lion of Finland, Officer First Class, to Mr. Frank Muto, photographer of the Democratic Party at the Capitol, in a ceremony at the Finnish Embassy.

In appreciation for the humanitarian work done by Mr. Muto during the winter war 1939-40, the Finnish Government expressed its gratitude by presenting him with this decoration. Mr. Muto has old ties with Finland. He first arrived there in 1939 at the time of the winter war and stayed there acting as a war correspondent and photographer. Traveling all over the country, he reported about the war and life in Finland during those crucial times. In his efforts to help the Finnish people, Mr. Muto joined the Hoover Finnish Relief Center and gave a helping hand to refugees and others during his travels in the war zones.

Mr. Muto accompanied the then Vice President and Mrs. Lyndon B. Johnson on their successful visit to Finland last September.

Mr. President, we here in the Capitol see every day evidence of Frank Muto's humanity. We rejoice that the people of Finland have taken this opportunity to pay tribute to him for these same qualities.

Congressman Harding Answers Idaho Power Co.

EXTENSION OF REMARKS OF

HON. RALPH R. HARDING

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 30, 1963

Mr. HARDING. Mr. Speaker, the Idaho Power Co. has been conducting an expensive campaign to misinform the people of Idaho about the Bonneville Power Administration.

Idaho Power has spent thousands and thousands of dollars in newspaper advertisements, door-to-door campaigning, and brochures attacking the Bonneville Power Administration. One of their latest little brochures is the following little gem entitled, "Facts You Should Know About the Plan To Bring Bonneville Power to Southern Idaho":

FACTS YOU SHOULD KNOW ABOUT THE PLAN TO BRING BONNEVILLE POWER TO SOUTHERN IDAHO

1. Bonneville does not serve homes, farms, stores, offices, schools, shops, or most industries.

2. Bonneville delivers electric power below cost to a few preference customers who profit by tax avoidance.

3. Bonneville is subsidized by taxpayers. It pays no taxes. It has operated at a deficit of about \$60 million during the past 5 years.

4. Bonneville will have to ask Congress for an expenditure of about \$100 million for

transmission facilities to deliver power to eastern Idaho.

5. There is a surplus of firm power in southern Idaho. Bonneville cannot justify squandering tax money to build duplicating power facilities.

6. Southern Idaho has a better record of industrial development—lower taxes—and far less unemployment than the Northwest areas which have been served by Bonneville for many years.

7. Bonneville power rates are artificial. They produce deficits in spite of taxpayer subsidy, tax avoidance, and access to the Federal Treasury for capital funds.

8. Bonneville power supplants the facilities of taxpaying companies to the detriment of taxing districts such as schools, cities and counties, State and Federal Governments.

9. Bonneville is now taking over reclamation project power, and will sell it below cost to preference customers. This will deprive Idaho reclamation projects of millions in legitimate revenues by subterfuge—the glib assurance that somehow Bonneville will replace these funds from its deficit-ridden operations.

10. There's no magic about Bonneville power. It is an example of the Federal Government in business—replacing taxpaying, investor-owned enterprises.

Mr. Speaker, in order to inform my colleagues and the people of Idaho of the misinformation, innuendoes, and false charges that the Idaho Power Co. is using to propagandize the people of Idaho on this matter, I present the following comments pertaining to each one of their 10 so-called facts:

ANSWER TO FACTS YOU SHOULD KNOW

1. Bonneville does not serve homes, farms, stores, offices, schools, shops, or most industries.

The Idaho Power Co. seems to be trying to make the point here that as individual users Idahoans will not receive BPA power directly, and hence will not benefit from lower-cost power. The thing to point out is that BPA does, indirectly, serve homes, farms, stores, offices, schools, shops, and all industries, and that its contracts require that the benefits of its low, uniform rates are passed on to the ultimate consumer.

It also should be noted that any time a widely used resource can be made available to an area at a lower cost, the standard of living in the area rises.

The extension of the marketing area introduces an element of competition in southern Idaho. The private utilities there—out of concern that communities may break away and form their own public utilities in the years ahead—will improve their services and maintain the lowest possible rates. This pattern of improved efficiency is especially evident in Washington State, where competition from public utility districts is a beneficial influence. Hundreds of thousands of homeowners, small business proprietors, and other customers save millions of dollars through lower electric rates, and these dollars find their way into local trade channels through the purchase of capital and consumer goods. (This element of competition is very real. Indeed, one utility has one rate in Washington and another higher rate in Oregon where public utility laws are less favorable.)

"2. Bonneville delivers electric power below cost to a few 'preference customers' who profit by tax avoidance."

Bonneville does not sell power below costs. The Bonneville Project Act requires rates which will cover costs. Nor does BPA sell only to a few "preference customers." Besides the customers in southern Idaho pres-

ently served through the Bureau of Reclamation, BPA has 119 customers. They include the largest private and public utilities in the Pacific Northwest. Idaho Power is one of these.

It is true that public utilities do not pay income taxes, but this is because they are nonprofit organizations. Their net is plowed back into system improvements or returned to customers through lower rates. There is no profit to tax. But they do pay other taxes, which vary according to the law of the States.

Thus, although taxes paid by public distributors are lower than those of private utilities on an individual comparative basis, public utilities do pay taxes. And although they are nonprofit utilities their tax contribution, such as in the State of Washington, runs into millions of dollars.

One should remember too, that, strictly speaking, no utility—private, public, or cooperative—pays taxes. Only consumers pay taxes. The utility merely serves as tax collector or pipeline for tax collection. Idaho Power Co. doesn't pay its tax bill. Its customers do.

"3. Bonneville is subsidized by taxpayers. It pays no taxes. It has operated at a deficit of about \$60 million during the past 5 years."

BPA, of course, pays its own way, with interest, and repays about 80 percent of the cost of the dams in the U.S. Columbia River power system, including substantial assistance to irrigation. During the past 5 years, BPA has used about \$60 million of a \$79 million surplus, but is still about \$20 million ahead of its repayment schedule. These facts are presented in greater detail in BPA's last annual report. This surplus came about because BPA rates were higher than necessary to cover costs. It can be argued with considerable force that the use of this surplus now is a means of returning the overpayments to BPA customers.

"4. Bonneville will have to ask Congress for an expenditure of about \$100 million for transmission facilities to deliver power to eastern Idaho."

The feasibility report estimated the cost of an extra-high voltage transmission line from Lewiston to Soda Springs at (1) \$81,170,000 for a direct-current line and (2) \$77,880,000 for an alternating-current line. The direct-current line would have a capacity of 940,000 kilowatts and the alternating-current line a capacity of 900,000 kilowatts.

The report also shows that annual revenues would repay the cost of these lines. In addition, the two areas would be able to combine their generating facilities to take advantage of diversity in peak loads and save an investment greater than the cost of the line; Idaho has its peak demands for power in the summer and the rest of the BPA marketing area has its peak in winter. Thus the cost of the line would be deferred twice over, first by annual revenues and secondly by a savings in investment.

"5. There is a surplus of firm power in southern Idaho. Bonneville cannot justify squandering tax money to build duplicating power facilities."

The demand for power will exceed the supply in southern Idaho in the next 10 years unless power is imported to the area or steamplants are built. Without a BPA line southern Idaho may expect a seasonal power shortage after 1967 and a year-around shortage after 1972; this statement takes cognizance of all existing and proposed projects of the Federal Government and Idaho Power Co. The needs of 20 electric distributors which now buy power from the Bureau will surpass the available supply from the Bureau in 1964, and it was these customers who first requested Bonneville service to be assured of their future supply. Fourteen of

these customers are municipalities or rural electric cooperatives. By 1972 the area's feasible hydroprojects will be built or under construction. In 1972 power from steamplants will be less expensive than power from remaining, less feasible hydrosites, but more expensive than power from existing hydroplants.

In chapter VI under transmission requirements the feasibility report points out that the interchange capacity between southern Idaho and the rest of the Northwest is rather small—250,000 kilowatts. By the summer of 1968, which is the earliest the line could be built, some 400,000 kilowatts of transmission capacity will be needed to coordinate Idaho resources and meet load growth.

"6. Southern Idaho has a better record of industrial development—lower taxes—and far less unemployment than the Northwest areas which have been served by Bonneville for many years."

This bland assertion of industrial growth is false. Tom Roach, president of the Idaho Power Co., in a talk to the Pocatello Chamber of Commerce August 15, 1962, said, "In the 7-year period 1955-61 the new industries locating in southern Idaho and eastern Oregon totaled 116. They furnish employment to approximately 5,500 people."

Roach went on to say that from 1955-61 BPA added three industries and lost one for a net of two. He compared BPA industrial customers, which have electroprocess loads of over 10,000 kilowatts, with the Idaho Power Co.'s industrial customers which except for FMC do not fall in this class. They are mostly small industries. Roach's comparison is not valid, for BPA is primarily a power wholesaler. His statistics, if comparable, should include industrial customers added by distributors in BPA's western area.

The three customers BPA added in this period consumed 3.1 billion kilowatt-hours in 1961. Idaho Power's sales to all of its industrial customers in 1961 totaled 1.3 billion kilowatt-hours.

The industrial growth in Oregon, and especially in Washington, is much greater than that of Idaho Power Co.'s service area. But it is very difficult to make accurate comparisons because of the paucity of figures available. For example, the Washington Department of Commerce and Economic Development hesitates to publish any figures in this regard because of the unreliability of estimates.

Idaho does not have lower taxes. The only fair way to compare taxes is on the basis of the percentage which each person pays from his income to both State and local coffers. The U.S. Bureau of Census publishes these figures on a per capita per \$1,000 of income basis. The latest figures are for 1961 when Idaho was ranked 13th among the States. Washington was 19th, Oregon 23d, and Montana 2d.

No competent comparison with regard to unemployment is possible, for Idaho lacks any industrial centers which can compare with Spokane, Seattle, Portland, or Tacoma. Besides, Idaho has had an outmigration and there are no records to show what percentage of these emigrants left to seek jobs in other States.

"7. Bonneville power rates are artificial. They produce deficits in spite of taxpayer subsidy, tax avoidance, and access to the Federal Treasury for capital funds."

BPA rates, of course, must meet repayment obligations and are reviewed by the Federal Power Commission. This point is nothing more than a play on such words as "artificial," "taxpayer subsidy," "tax avoidance," and "access to the Federal Treasury." It is a glittering generality built on fluff. As stated earlier, BPA is still \$20 million ahead of its repayment schedule and further it has

proposed a program for remaining fiscally sound. A major part of that program is to market surplus power in California, providing legislation is first passed to protect the region's power supply.

"8. Bonneville power supplants the facilities of taxpaying companies to the detriment of taxing districts such as schools, cities and counties, State, and Federal Governments."

BPA does not supplant the facilities of taxpaying companies. It supplements them by broadening and lowering the cost of a vital resource.

In Oregon and Washington the development of the economy that has come about because of low-cost power from the U.S. Columbia River power system has created taxable wealth many times greater than would have existed without the system. The dams were built by the Federal Government at a time when private capital was unwilling and unable to do the job on the scale necessary to assure such priceless added benefits as irrigation and navigation, which by themselves contributed greatly to the growth of the region. It is fortunate the Government built the dams when it did, for the region's supply of electric power played an important role in creating the industrial might that helped to win World War II.

Idaho Power Co. often repeats that 60 percent of the property taxes which it pays goes for school support. Tax payments to schools by electric utilities are important. However, they are only part of the story. The other part has to do with electric rates charged such tax-supported schools. A dollar saved by a school on its electric bill is as valuable for school support as a dollar paid to such a school by the electric utility which serves it.

Recently a lot of emphasis was placed by private power companies in Washington State on taxes paid by them for school support. To keep the record straight the PUD's made an analysis in which they recomputed their power bills to schools using the rates of neighboring private power companies. These recomputed bills were then compared to the actual bills which the schools paid. In most cases the schools received greater benefit from the PUD's savings and tax payments than if they had received a property tax from private power and had been charged private power rates. Idaho Power Co. would suffer by such a comparison, for its rates are substantially higher than the rates of private power companies in the State of Washington.

"9. Bonneville is now taking over reclamation project power, and will sell it below cost to preference customers. This will deprive Idaho reclamation projects of millions in legitimate revenues by subterfuge—the glib assurance that somehow Bonneville will replace these funds from its deficit-ridden operations."

The extension of BPA's marketing area to southern Idaho is compatible with the area's irrigation program. It will not affect the water supply for irrigation, nor will it affect the irrigators' present repayment arrangements. The effect, if any, on their pumping power supplies or rates will be favorable. Irrigation will continue to have priority over power production, just as it does at Grand Coulee Dam, another Bureau project for which BPA markets power.

The extension also will enhance the financing of future reclamation projects by making available a much greater revenue base on which to obtain irrigation assistance. Before the order was issued, BPA was obligated to repay \$566,033,000 in irrigation assistance. The obligation for this assistance to irrigation in southern Idaho, which BPA will assume, totals \$28,802,000. In other words, the

assistance which power gives to irrigation in other parts of the Columbia River Basin is 20 times greater than in southern Idaho.

The combined southern Idaho and main U.S. Columbia River power systems would provide a power revenue for irrigation assistance many times larger than is presently available within southern Idaho alone. The main system has a capital investment in Federal generating facilities 70 times that of southern Idaho. Revenues are 30 times as large. Thus the future of new reclamation projects in southern Idaho should be enhanced rather than hindered by the extension of the marketing area to include all of Idaho.

The total investment in the main system to be repaid from BPA revenues now is about \$1.6 billion. The repayment obligation which BPA will assume in southern Idaho is less than 1 percent of this total.

"10. There's no magic about Bonneville power. It is an example of the Federal Government in business—replacing taxpaying, investor-owned enterprises."

In other parts of its service area BPA has not replaced the private power companies, but it has made them more profitable and more efficient. Low-cost power from the Federal system has brought private utility rates down. As these rates came down, sales increased—and so did the companies' profits and the values of their stocks. These companies have not suffered one iota in relation to Idaho Power Co. in terms of profits or stock values. It's pretty hard to beat the combination of lower rates for the consumer and more profits for the company and its stockholders. Based on the evidence elsewhere in the Northwest, the only conclusion is that Idaho Power, its stockholders, and its customers will all benefit from bringing BPA power to southern Idaho.

A savings of \$2, \$3, or \$4 a month to the individual residential customer is considerable by itself. But when you consider that private utilities serve 130,000 Idaho homes, the total is tremendous. If private utility customers in Idaho could get their power for the same price as private utility customers in the Bonneville service area, these Idaho customers would save between \$3 and \$4.5 million a year. In Oregon the two major private utilities today are selling power to homes for much less than in 1938 when BPA power first became available. Idaho Power Co. is not.

Congress and the President

EXTENSION OF REMARKS

OF

HON. GEORGE MEADER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 30, 1963

Mr. MEADER. Mr. Speaker, does the Congress have authority in the field of foreign relations, and if so, does the exercise of that authority in disagreement with the President weaken the United States and its image around the world?

Mr. Speaker, during the debate on the conference report on the foreign aid appropriation bill a subject was discussed which, in my judgment, requires further elaboration. Does congressional disagreement with a Presidential recommendation harm "the image and authority of our new President around the world," or would it "weaken the Presi-

dent's authority in dealing with other nations and in consequence weaken the United States," or would it impair the authority of the President who "is the sole repository of that responsibility in the field of foreign affairs"?

The Speaker of the House of Representatives addressed the House and urged defeat of the motion to recommit the conference report on foreign aid appropriations with instructions to deny credit in Communist wheat transactions and said the following:

Mr. Speaker, I shall make my remarks brief. I think the gentleman from Illinois [Mr. FINDLEY] very frankly stated the issue when he said that this question goes right to the point of our foreign policy. Let us pause for a moment and realize the responsibility in the field of foreign policy and where that responsibility mainly lies. Under the Constitution the President of the United States is the sole repository of that responsibility in the field of foreign affairs. (CONGRESSIONAL RECORD, Dec. 20, 1963, p. 25421.)

Similarly, the majority leader, in urging adoption of the rule waiving points of order against the conference report on the foreign aid appropriation bill, said the following:

The real issue here is the image and authority of our new President around the world. Are we going to give Communist and free nations alike the impression that he does not have, in the performance of his responsibilities as the repository of American foreign policy, the complete confidence of the Congress and the American people? President Johnson succeeded to office by succession after a base assassination, and the question in all nations is, do the American people have a leader? Would the Congress want to convey the impression that we would want to tie the President's hands or to limit his authority when we did not do this to either of his predecessors, President Eisenhower or President Kennedy? Any such action would weaken the President's authority in dealing with other nations and in consequence would weaken the United States. (CONGRESSIONAL RECORD, Dec. 24, 1963, p. 25527.)

The gentleman from Texas [Mr. CASEY] disagreed with the proposition that a vote against providing credit for transactions with Communist countries indicated any distrust of the President. He said:

Mr. Speaker, as the gentlewoman from New York [Mrs. ST. GEORGE] stated, you really are not interested in listening to speeches. But there has been the inference on the floor of this House and in the press that anyone who opposes the administration is showing a distrust of President Johnson. Mr. Speaker, I want this House and I want everyone to know that I will take great issue with anyone who distrusts Lyndon B. Johnson. I would also take great issue with anyone who challenges his ability to fill this high office that he now holds.

But, Mr. Speaker, I have faith in this Congress and in this House, and I take issue with anyone who says that this Congress and this House does not have a right to say something about how our money is going to be spent (CONGRESSIONAL RECORD, Dec. 24, 1963, p. 25526.)

This proposition was likewise challenged by the gentleman from Arizona [Mr. RHODES] and myself as appears on

page 25533 of the CONGRESSIONAL RECORD of December 24, 1963:

Mr. RHODES of Arizona. Mr. Speaker, I am sorry that the majority leader saw fit to try to define the standards under which Lyndon Johnson will be declared to be either a strong President or a weak President. In my opinion, whatever he may be called by history will be decided by what he does, and not by what the House of Representatives does. In my opinion, he has the capacity to be a strong President and he will be a strong President, but he does not get to be a strong President because the legislative body rolls over and plays dead for him. He does not get to be a strong President because the legislative branch votes against its own convictions and refuses to stand up to tell him that in this instance we think he is wrong. This is all that we are trying to do, and so help me if I thought that my vote today would blacken the escutcheon of Lyndon Johnson as a strong President of the United States, then I would not vote the way I am going to vote. I do not believe it—I think he is a much stronger man, perhaps, than those who have set what I think is a false standard for Presidential strength.

Mr. MEADER. Mr. Speaker, I like what the gentleman has just said. It is in line with what the gentleman from Texas said. There are those who seek to make disagreement the equivalent of distrust. If we must agree with everything that the President says or else be disloyal or weaken our country, I think that is a very dangerous doctrine.

Mr. RHODES of Arizona. I agree with the gentleman.

Mr. Speaker, I propose to analyze the two propositions advanced by the Speaker and the majority leader. In my opinion, they are grossly erroneous and constitute a dangerous doctrine.

These propositions are:

First, The President is the "sole repository of responsibility in the field of foreign affairs."

Second, Refusal by Congress to grant the President requests for power indicates a lack of "confidence," weakens the President "in dealing with other nations," and damages the "image" of the President and the United States.

The President is the "sole repository of responsibility in the field of foreign affairs."

Nothing in the Constitution provides or even suggests that the President is the "sole repository of responsibility in the field of foreign affairs." The President's constitutional authority in this field, article II, section 2, clause 2, is as follows:

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls. * * *

And the provision in article II, section 3, "he shall receive ambassadors and other public ministers."

The Congress, on the other hand, is the repository of the great bulk of governmental power in the field of foreign as well as domestic affairs.

Article I, section 1 of the Constitution provides:

All legislative Power herein granted shall be vested in a Congress of the United States.

Executive authority in the field of foreign affairs is founded on statutes enacted by the Congress. The execution of such congressional policy is possible only through appropriations made by Congress and derived from revenues which only Congress has the power to levy.

Instead of the President being the "sole repository of power," it is more nearly accurate to say that both the President and the Congress have power in the field of foreign affairs but that by far, the greater part of that power is vested in the Congress.

To say otherwise, would be to indicate that instead of a democracy, we are a dictatorship.

To contend that the enactment of legislation in the field of foreign affairs is beyond the scope of congressional authority and constitutes some sort of invasion of the prerogatives of the President, is a dangerous departure from principles of self-government through elected representatives.

It has always been difficult for me to understand how the chief elected officer of the House of Representatives, sometimes referred to as the greatest and most powerful deliberative legislative body in the world, could fail to uphold the power, prerogatives and dignity of the representative body which he heads and, on the contrary, exaggerate the powers of a coordinate branch of the Government in derogation of the powers of the body for which he speaks.

Refusal by Congress to grant the President's requests for power indicates a lack of "confidence," weakens the President "in dealing with other nations," and damages the "image" of the President and the United States.

Coordinate with the first proposition, is the second one; namely, that the conscientious exercise of the powers vested in the Congress according to convictions of individual Congressmen on national policy based on familiarity with the views and wishes of the American people is an affront to a coordinate branch of the Government whose principal duty is to take care that the laws be faithfully executed. This proposition is unacceptable.

The majority leader is the second highest officer of the House of Representatives and, no less than the Speaker it seems to me, he should be at all times jealous of the prerogatives, and vigorously uphold the power of the body of which he is a principal officer. The majority leader, however, seems to suggest that any time the Congress disagrees with the President, fails to grant a request he makes, or in any way expresses its own will if that differs from the recommendations the President may make, it is undermining Presidential authority, creating an unfavorable image of the President and weakening the United States.

What kind of doctrine is this? This philosophy smacks of a totalitarian regime where the elected representatives of the people are rubberstamps. Such

a Congress, never daring to disagree with the Executive, would be a sham and a pretense. It would be more honest and fairer to simply abolish a Congress so impotent. Have we gone so far along the road toward totalitarian bureaucracy that the principal leaders of the House of Representatives say in one breath that we have no power in the field of foreign affairs and, in the next breath, that if we use such power as we may have to disagree with the Executive, we are undermining the strength of the United States in dealing with other countries?

Report of Activities of the Committee on the District of Columbia, 1st Session, 88th Congress

EXTENSION OF REMARKS OF

HON. ALAN BIBLE

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, December 30, 1963

Mr. BIBLE. Mr. President, on December 19 I presented to the Senate a preliminary report of the activities of the Senate Committee on the District of Columbia during the 1st session, 88th Congress. I now desire to supplement that report with a full review in detail of the committee's activities for that period of time.

However, before I do this, may I extend to my colleagues on this committee my appreciation for their helpfulness and assistance in our work. I believe that they are deserving of the gratitude of the entire Congress, the people of the District of Columbia, and the people of the entire country for the hours they spend in tending to the business of the Nation's Capital City while carrying on their other major activities incident to their service in the Congress. May I further express my deep appreciation to my subcommittee chairmen who gave of their time and energy; namely, the very effective and hardworking senior Senator from Oregon [Mr. MORSE], who is chairman of the Public Health, Education, Welfare, and Safety Subcommittee; the distinguished junior Senator from Indiana [Mr. HARTKE], whose energies and skills and experience in municipal government have been invaluable to our committee as chairman of the Judiciary Subcommittee; and my warm friend and the capable junior Senator from New Hampshire [Mr. MCINTYRE], who has carried a major load of the committee's work as chairman of the Business and Commerce Subcommittee, during his first year as a Member of the Senate. To the other committee members, the senior Senator from Maryland [Mr. BEALL], whose long service, both in the Senate and the House, made his work most valuable to the committee; the junior Senator from Vermont [Mr. PROUTY], whose past service in the House has been most

useful to the committee; and to the junior Senator from Colorado [Mr. DOMINICK], whose experience in the House of Representatives and in the legislature of his home State has done much to assist the committee with its many problems, I wish to express my sincere thanks for the hours they gave to our committee.

I would also like to express my deep appreciation for the cooperation I received personally as committee chairman from the Honorable JOHN McMILLAN, chairman of the House Committee on the District of Columbia and the individual members of his committee. Likewise, I wish to commend the cooperation and assistance that the staff members of the House District Committee have extended to the staff members of my committee during this session of Congress.

The Committee on the District of Columbia received for consideration in the 1st session, 88th Congress, the following:

Senate bills.....	88
Senate resolutions.....	1
Senate joint resolutions.....	3
House bills.....	34
Nominations.....	3
Grand total.....	129

During the session, there were reported to the Senate from the committee 18 Senate bills and 12 House bills.

Of the 34 House bills referred to the Senate, 21 are pending before the committee. Seventeen bills and acts have become public law. Twelve Senate-passed bills are pending before the District of Columbia Committee of the House.

Twenty-nine hearings were held by subcommittees on Senate bills, and 13 hearings were held by subcommittees on House bills.

The full committee held 17 hearings on bills and nominations and 6 joint hearings with the District of Columbia Committee of the House.

The full committee met in executive session on four occasions.

Number of bills, resolutions, acts and nominations referred to committee.....	129
Number of bills, acts and nominations reported to Senate.....	33
Number of bills and acts in process (hearings held).....	12
Number of bills and acts indefinitely postponed within committee, including consolidation.....	10
Number of bills, resolutions and acts awaiting final action.....	86

The following is a list, by number and title, of all bills and acts passed by the Senate during the 1st session of the 88th Congress. Those that became law are indicated by the public or private law number:

S. 485, to amend the act entitled "An act to provide for the annual inspection of all motor vehicles in the District of Columbia," approved February 18, 1938, as amended.

S. 489, to amend the act of March 5, 1938, establishing a small claims and conciliation branch in the municipal court for the District of Columbia; Public Law 88-85.

S. 490, to amend the act of July 2, 1940, as amended, relating to the recording of

liens on motor vehicles and trailers registered in the District of Columbia, so as to eliminate the requirement that an alphabetical file on such liens be maintained; Public Law 88-89.

S. 628, to amend the District of Columbia Redevelopment Act of 1945.

S. 646, to prohibit the location of chanceries or other business offices of foreign governments in certain residential areas in the District of Columbia.

S. 933, to amend the District of Columbia Practical Nurses' Licensing Act and for other purposes.

S. 994, to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended.

S. 995, to amend the Street Readjustment Act of the District of Columbia so as to authorize the Commissioners of the District of Columbia to close all or part of a street, road, highway, or alley in accordance with the requirements of an approved redevelopment or urban renewal plan, without regard to the notice provisions of such act, and for other purposes.

S. 999, to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925.

S. 1024, to authorize the Commissioners of the District of Columbia to pay relocation costs made necessary by actions of the District of Columbia government, and for other purposes.

S. 1078, to amend the District of Columbia Public School Food Services Act.

S. 1082, to establish in the Treasury a correctional industries fund for the government of the District of Columbia, and for other purposes.

S. 1227, authorizing the Association of Universalist Women (a nonprofit corporation in the District of Columbia) to consolidate with the Alliance of Unitarian Women (a nonprofit corporation in the State of Massachusetts); Public Law 88-19.

S. 1401, to authorize the Commissioners of the District of Columbia to acquire, construct, operate, and regulate a public off-street parking facility.

S. 1406, to authorize the establishment of a junior college division within the District of Columbia Teachers College, and for other purposes.

S. 1533, to amend the act of July 24, 1956, granting a franchise to D.C. Transit System, Inc.; Public Law 88-212.

S. 1964, to amend the District of Columbia Traffic Act, 1925, as amended, to increase the fee charged for learners' permits.

S. 2054, to eliminate the maintenance by the District of Columbia of perpetual accounts for unclaimed moneys held in trust by the government of the District of Columbia; Public Law 88-211.

H.R. 1933, to amend the act of February 9, 1907, entitled "An act to define the term 'registered nurse' and to provide for the registration of nurses in the District of Columbia," as amended, with respect to the minimum age limitation for registration; Public Law 88-81.

H.R. 1937, to amend the act known as the Life Insurance Act of the District of Columbia, approved June 19, 1934, and the act known as the Fire and Casualty Act of the District of Columbia, approved October 3, 1940; Public Law 88-57.

H.R. 2485, to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to make regulations to prevent and control the spread of communicable and preventable diseases," approved

August 11, 1939, as amended; Public Law 88-137.

H.R. 3190, to amend the act of March 3, 1901, relating to devises and bequests by will; Public Law 88-192.

H.R. 3191, to exempt life insurance companies from the act of February 4, 1913, regulating loaning of money on securities in the District of Columbia; Public Law 88-191.

H.R. 3537, to increase the jurisdiction of the Municipal Court for the District of Columbia in civil actions, to change the names of the court, and for other purposes; Public Law 88-60.

H.R. 4276, to provide for the creation of horizontal property regimes in the District of Columbia; Public Law 88-218.

H.R. 4330, to amend the District of Columbia Business Corporation Act; Public Law 88-111.

H.R. 5081, to authorize the Commissioners of the District of Columbia to sell a right-of-way across a portion of the District Training School grounds at Laurel, Md., and for other purposes; Private Law 88-67.

H.R. 5338, to enact the Uniform Commercial Code for the District of Columbia, and for other purposes; Public Law 88-243.

H.R. 6177, to amend section 2(a) of article VI of the District of Columbia Revenue Act of 1947 relating to the annual payment to the District of Columbia by the United States; Public Law 88-104.

H.R. 7497, to amend the Life Insurance Act for the District of Columbia relating to annual statements and for other purposes; Public Law 88-193.

The following is a list of nominations confirmed by the Senate:

Richard R. Atkinson to be a member of the District of Columbia Redevelopment Land Agency for a term of 5 years, effective on and after March 4, 1963 (reappointment).

Orman W. Ketcham, of Maryland, to be associate judge of the juvenile court of the District of Columbia for the term of 10 years. He is now serving in this office under an appointment which expires May 5, 1963.

Edmond T. Daly, of the District of Columbia, to be associate judge of the District of Columbia court of general sessions for the term of 10 years, vice Randolph C. Richardson, deceased.

Report of the House Majority Leader on the Accomplishments of the 1st Session of the 88th Congress

EXTENSION OF REMARKS

OF

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 30, 1963

Mr. ALBERT. Mr. Speaker, this has been a long and arduous session. The size of the workload has been tremendous and I commend all of the Members of this House for their diligence and dedication. Legislating has never been a simple, orderly task. As the crises of our times accelerate, it becomes even less so. Our reward lies in the knowledge that we have reached many enduring decisions which reflect the desires of the entire Nation. The Congress was intended to be—and is—the vehicle for

the expression of the will of the people. It is the forum of all men, those with whom we personally agree and those with whom we do not. Never has so much effort been expended in a search for points of compromise. Perhaps never have we been so aware that we build for the future, not just for today, that, in truth, we shape the future course of the Nation in these troubled times.

The nature of the days in which we live presents us with both an extraordinary challenge and a heavy burden of responsibility. We dare not be frivolous. Mr. Speaker, we have not been frivolous. If, as I believe, the proper criterion for measuring the accomplishments of a Congress is the manner in which it has attempted to resolve the critical issues of the day, this Congress is a historic one. Several crises have burst upon the national scene in the past year. We have met them. A national railroad strike has been averted. A partial nuclear test ban treaty has been ratified. A turning point in civil rights has been reached. In addition, we have concerned ourselves with the "quiet crises"—the nagging problems which beset any great Nation in its relations with the world and with its citizens.

The record of this session—an excellent record by any measure—will stand as a tribute to the gentleman from Massachusetts and our Presiding Officer, Speaker JOHN W. McCORMACK. We and the entire Nation are indeed fortunate to have the benefit of his outstanding ability, experience, and leadership.

We are also fortunate to have had the opportunity to work with an outstanding political leader and a man of unquestioned decency, courage, and dedication. All too brief was the tenure of President John Fitzgerald Kennedy. We who worked closely with him knew him well as a statesman and as a person. We respected him equally in both capacities. We shall miss him equally in both capacities.

On January 20, 1961, President Kennedy told his fellow citizens that the "struggle against the common enemies of man: Tyranny, poverty, disease, and war itself" would not be finished in the first 100 days, the first 1,000 days, in the life of his administration, "nor even perhaps in our lifetime on this planet." But, he said, "Let us begin."

Mr. Speaker, under the leadership of President Kennedy, we did begin. From January of 1961 to the present, the Congress has been engaged in a full-scale attack on the myriad, baffling problems of the 1960's. This attack did not cease on that tragic day, the 22d of November 1963. On November 28 President Johnson, in his address to a joint session of Congress, said, "Let us continue." This Congress, under the leadership of a Democratic President and controlled by the Democratic Party, intends to do just that.

The proposals put to us by the late President Kennedy are far reaching in import. He was well aware of that fact.

In his last news conference, on November 14, he described the civil rights bill and the tax reform measure as "very complicated and important pieces of legislation; in fact, more significant in their own way than legislation that has been sent up there for a decade." Mr. Speaker, quick and simple answers are both unwise and impossible. We have sought the reasonable, not the sensational. I believe we have found, and will continue in the next session to find, enduring solutions.

It might be noted here that not one of the recommendations made to this Congress by President Kennedy has been rejected. Also, only once during this session did he use his veto power—and then on a private bill. Nor has President Johnson used his veto power. The current practice in some quarters of accentuating the negative—concentrating on what Congress has not done—is most misleading.

I am proud of the record of this session. I am proud of the Democratic majority in this House. We have debated, considered, and pondered the critical issues of our day. We are well on our way toward a solution to many of them. That, Mr. Speaker, can truly be called a job well done.

A Gallup poll published on January 8 of this year concluded:

As the new Congress convenes, the mandate of the people calls for a legislative program dominated by action on domestic matters.

Our record shows that we have met that challenge.

Without doubt the activities carried on by the Federal Government in the areas of health, education, and welfare are vital to the happiness and well-being of the citizens of the United States. It is essential that the Congress of the United States remain alert to new problems in these areas and seek reasonable solutions to them. At the same time, it must constantly reassess the solutions initiated at an earlier time and continue those which are viable, strike out those which have outlived their usefulness, and place new emphasis where it is needed. The first session of the 88th Congress has done just that.

The appropriations for the Department of Health, Education, and Welfare for the fiscal year 1964 totaled \$5,077,114,500. Included in this figure were \$432,793,000 for the Office of Education, \$40,271,000 for the Food and Drug Administration, \$1,608,723,000 for the Public Health Service, \$128,415,000 for the Office of Vocational Rehabilitation, \$2,826,742,000 for the Welfare Administration, and \$91,500 for the Social Security Administration, to which last amount should be added \$317,900,000 from the trust funds of the Social Security Administration.

This amount was in addition to the amount appropriated for the Department by Public Law 88-25, the supplemental appropriations bill for the fiscal year 1963. The appropriation made there was \$214,641,000.

EDUCATION

President Johnson described our accomplishments in the area of education in this manner:

This Congress is well on its way to doing more for education than any Congress since the Land Grant College Act was passed 100 years ago.

I believe that even if we had not passed any other legislation, our record in the single area of education would have made this a historic session. President Johnson expressed the same view. On December 16 he predicted that "this session of the Congress will go down in history as the 'Education Congress of 1963.'"

HIGHER EDUCATION FACILITIES ACT

Unquestionably one of the major accomplishments of the 1st session of the 88th Congress is the Higher Education Facilities Act. It is the first general college aid program ever enacted and its success after years of bitter controversy is a magnificent triumph for this Democratic-controlled Congress.

As enacted, this measure authorized a 5-year, \$1,195 million program of Federal grants and loans as follows:

First, for a 3-year period beginning with the fiscal year 1964, annual appropriations of \$230 million for matching grants to the States for the construction, rehabilitation, and improvement of undergraduate academic facilities with 22 percent of the funds—\$50,600,000 per year for 3 years—reserved for public junior colleges and public technical institutes.

Second, \$25 million in the fiscal year 1964 and \$60 million in each of fiscal years 1965 and 1966 for construction grants to graduate schools for cooperative graduate centers, making a 3-year, \$145 million program.

Third, \$120 million annually for fiscal years 1964 through 1966, or \$360 million altogether, for loans to institutions for the construction, rehabilitation, or improvement of both undergraduate and graduate academic facilities.

Grants for undergraduate academic facilities and public junior colleges and technical institutes are to be administered by a State agency representing public and private educational institutions and the public. The other funds authorized in the bill are to be allocated directly by the Federal Commissioner of Education to institutions making application. The 22 percent for public junior colleges and public technical institutes is to be allocated to the States on the basis of the number of persons graduating from high school in the most recent school year and the relative per capita income in the respective State. The remaining 78 percent will be allocated according to the following formula: One-half the funds on the basis of the relative college and university enrollments in the States and one-half on the basis of enrollments of students in grades 9 through 12 in all private and public schools in the States. These grants which may be allocated for private as well as public undergraduate facilities, are restricted to the construc-

tion of structures designed for the natural or physical sciences, mathematics, modern foreign languages, engineering, or for use as a library. The sums allocated for construction at public junior colleges are not limited to these categories. The Federal Government would pay up to one-third of the construction costs of the former and up to 40 percent of the latter.

This law provides that loans can be made directly to institutions of higher education but limits the amount of loans to any one State to 12.5 percent of the total amount of loans under the program. Excluded from eligibility for both loans and grants are those facilities which are used for sectarian instruction or as a place for religious worship, those used primarily for any part of a program of a school or department of divinity, or those intended primarily for events for which admission would be charged to the general public, such as gymnasiums or recreational activities. Facilities used by a school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or public health are also ineligible. Grants will be recovered if, within 20 years, the applicant or its successor ceases to be a public or nonprofit institution or if the facility ceases to be used for academic purposes.

The purpose of this bill is to enable existing colleges and universities to expand their enrollment and to encourage the establishment of new public colleges. Such expansion is essential. The U.S. Office of Education reported that the Nation's public classrooms shortage was 121,200 when the school year started last fall. Without action, that shortage will become critical. College enrollments in 1970 are expected to be double those in 1960. Approximately 7 million students are expected to be in attendance as compared with 3.6 million in 1960. U.S. population aged 18 to 22 was 11,784,000 in July 1960 and is expected to rise to 17,806,000 in 1970. The Secretary of Health, Education, and Welfare and the Commissioner of Education, Francis Keppel, have indicated that in order to meet demands of the additional students colleges must spend an average of \$2.3 billion annually on their physical plants. Expenditures currently fall short of this by \$1 billion.

The majority of the Members of this body agree with the statement made by the late President in his message on education transmitted to the Congress on January 29 of this year:

Fundamentally, education is and must always be a local responsibility, for it thrives best when nurtured at the grassroots of our democracy. But in our present era of economic expansion, population growth, and technological advance, State, local, and private efforts are insufficient. These efforts must be reinforced by national support, if American education is to yield a maximum of individual development and national well-being.

The majority also agree with his description of education as "the keystone in the arch of freedom and progress."

As such, its increased quality and availability are vital.

VOCATIONAL EDUCATION ACT

The 1946 Vocational Education Act provided matching grants to the States for vocational education programs in the specific areas of agriculture, trades, and industry, home economics, distribution, fisheries, practical nursing, and technical training. Realizing that there have been technological developments since 1946 which have greatly altered vocational education needs, President Kennedy, in 1961, directed an advisory board to examine the program and to make recommendations. That board advised that the program be geared to the training and retraining of people of all ages and races and that it be directed toward training in the skills and techniques which are necessary to meet changing economic needs in the United States. Accordingly, in his January 29 message on education, President Kennedy requested an expansion of the vocational education program.

In his civil rights message of June 19, the late President, in addition to his proposal for a civil rights bill, renewed his requests for a number of other legislative proposals which would improve the lot of the Negro. Among these requests were proposals for an extension of the National Defense Education Act student loan program and of the "impacted areas" program.

On December 18, President Johnson signed a bill including these three programs. In doing so, he declared that it provides the tools for a major attack on one of the biggest obstacles to the Nation's economic growth.

Part A of this bill is the Vocational Education Act of 1963. This calls for a permanent program and authorizes expenditures of \$1,031 million on new programs in this area for the first 5 years in addition to the \$57 million per year currently spent on vocational education under the Smith-Hughes and George-Barden legislation already in existence. The new act authorizes funds of \$60 million for this fiscal year, \$108,500,000 for the second year, \$177,500,000 for the third year, and \$225 million for fiscal year 1967 and each year thereafter. These funds will be used for Federal grants to the States to enable them to maintain, extend, and improve existing programs of vocational education, to develop new programs, and to provide part-time employment for youths who need these earnings in order to continue their vocational training. This training is to be available to persons of all ages in all communities of the State—those in high school, those who have completed high school or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, and those with special educational handicaps.

The sum of \$150 million through the fiscal year ending June 30, 1967, is authorized for residential training schools

and work-study program for youths aged 15 to 21.

The technical education program, now in operation under title VIII of the National Defense Education Act, was given increased authorizations of \$15 million for fiscal year 1965 and \$60 million each year thereafter.

This act also provided permanent authorization for the practical nurse training program. For fiscal years 1964 through 1966, \$5 million is authorized for each year for this program, making a total of \$15 million for practical nurse training under this legislation.

To summarize briefly, for fiscal years 1964 through 1968 this important act provides \$806 million for the basic program of vocational education, \$150 million for residential schools and work-study programs, \$60 million for technical education under the National Defense Education Act, and \$15 million for practical nurse training—making a grand total of \$1,031 million for these 5 years.

Part B of this same act is the extension of the National Defense Education Act of 1958. That historic act had initiated a 7-year, \$1 billion program of loans and grants to the Nation's students and schools. We have extended that program for an additional year and increased the college loan fund from \$90 million to \$125 million in the current fiscal year and to \$135 million next year. As a result, the amount any one college may borrow is increased from its present ceiling of \$250,000 to \$800,000.

Part C of this act extends Federal aid to impacted areas for an additional 2 years and authorizes expenditures of \$527,600,000 for this program. This is an important program in which the Federal Government pays part of the costs of constructing and operating schools attended by children whose parents either work or live on Federal property or whose parents are connected with projects which cause a sudden increase in Federal contract activities in the area.

This act is a major addition to the country's vocational education programs. It is a sorely needed attack upon the chronic problems of unemployment, uneducated youth, and the lack of skilled laborers. As such, it is a contribution to the Nation's education, social, and economic health.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT

On September 24, President Kennedy signed the Health Professions Educational Assistance Act of 1963. Similar legislation has been considered by Congress in every year since 1951 but without enactment. This measure, Public Law 88-129, is a significant piece of legislation from which all the people of this country will ultimately benefit.

Studies have shown that the number of trained physicians who become available each year must be increased 50 percent by 1975 if the present ratio of physicians to population—137 physicians for every 100,000 American people—is to be maintained. Similarly, the number of trained dentists who become available

each year must be increased by 100 percent in order to maintain the present ratio—56 dentists for every 100,000 Americans. These ratios are generally accepted as a minimum requirement. In order to meet present needs each year more than 1,500 graduates of foreign medical schools are licensed to practice in this country. One-fourth of the interns and residents in our hospitals are foreign medical graduates. To maintain the present ratio of physicians to population will require an increase of 4,000 new students in schools of medicine each year. Existing schools are unable to accommodate that number of students.

But even increased facilities are not enough. Many qualified young people cannot afford the long, expensive training required to become physicians and dentists. More than 40 percent of the medical students now come from the 12 percent of the Nation's families with annual incomes of \$10,000 or more. Only 14 percent come from the 50 percent of the Nation's families with annual incomes below \$5,000. As a result of the high cost of training, the number of applicants to medical and dental schools has dropped in recent years. For example, the number of medical school applicants dropped from 22,279 in 1950 to 14,397 in 1960.

On February 7, President Kennedy sent to Congress a special message on improving American health. In it he recommended legislation authorizing Federal grants for the construction of teaching facilities and loans for medical students. We have responded to this need. Specifically, Public Law 88-129 authorizes:

First, a 3-year program, beginning in the 1964 fiscal year, of Federal grants for the construction of teaching facilities for the training of medical, dental, and other health personnel. Grants of \$175 million were authorized for fiscal 1964-66. They are to be apportioned as follows: \$105 million for teaching facilities for the training of physicians, pharmacists, optometrists, podiatrists, nurses, or professional public health personnel, \$35 million for dental schools, and \$35 million for the replacement or rehabilitation of existing medical and dental teaching facilities.

Second, a loan program for students of medicine, dentistry, or osteopathy to be initiated in the fiscal year 1964-66 and phased out in the following 3 fiscal years. \$30,700,000 was authorized for the first 3 years.

MENTAL HEALTH

The scourge of mental illness and mental retardation is one of our most critical problems. The disastrous effects of these conditions were dramatically described by President Kennedy in his message transmitted to Congress on February 5. Speaking of these health problems, he said:

They occur more frequently, affect more people, require more prolonged treatment, cause more suffering by the families of the afflicted, waste more of our human resources,

and constitute more financial drain upon both the Public Treasury and the personal finances of the individual families than any other single condition.

The two major proposals of the President contained in that message have been enacted by this Democratic-controlled Congress.

On October 31, President Kennedy put his signature on Public Law 88-164, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. This act provided:

First, a \$26 million authorization, over 4 years, for grants to public and private nonprofit institutions for the construction of centers for research on mental retardation.

Second, a \$32.5 million authorization over 4 years for grants to be used for the construction of clinical facilities for the treatment of the mentally retarded, the demonstration of techniques for diagnosis, the treatment, training or care of the mentally retarded, and for training physicians or other specialized personnel.

Third, an authorization of \$67.5 million, over 4 years, for grants to the States to pay the costs of constructing public and private nonprofit facilities for the diagnosis, treatment, education, training, and care of the mentally retarded.

Fourth, an authorization of \$150 million, over 3 years, for grants to the States for constructing community health centers for the prevention, diagnosis, treatment, and rehabilitation of mentally ill patients in their own communities.

Fifth, an authorization of \$45.5 million, over 3 years, to expand two existing programs of grants for the training of teachers of mentally retarded and deaf children. Teachers of visually handicapped, speech impaired, crippled, and emotionally disturbed children were included.

Sixth, an authorization of \$6 million, over 3 years, for research and demonstration projects to improve educational opportunities for handicapped children.

Seventh, an authorization of \$1.5 million in the fiscal year 1964 for grants to the States for the training of teachers of the deaf.

This is a very necessary program. The population of the United States spends \$2 billion annually on mental illness. Half the hospital beds in the country are occupied by mental patients and 1 out of every 10 persons requires psychiatric attention during his lifetime. The number of mentally retarded in this country at the present time is estimated at between 5 and 6 million. Anthony J. Celebrezze, Secretary of Health, Education, and Welfare, has rightly stated that—

The facts regarding mental illness and mental retardation reveal national health problems of tragic proportions compounded by years of neglect.

Present facilities are nowhere near adequate to meet this problem. Large State mental hospitals are primarily institutions for quarantining the mentally ill, not for treating them. In addition, two-thirds of the large public institutions were built before 1900 and are over-

crowded and inadequate. New methods of treatment and research on mental retardation and the rehabilitation of the mentally ill are sorely needed. As an editorial in the Washington Post declared:

It is hard to see any argument against modernizing the Nation's approach to mental affliction. Relief from this scourge and shame is long overdue.

The other half of the program proposed by President Kennedy in his message of February 5 is covered by Public Law 88-156. Recognizing that a major key to the prevention of mental retardation lies in the expansion of preventive medical care for expectant mothers and their infants who, due to low income or other reasons, would not otherwise receive it, this body, in cooperation with the coordinate House, has enacted legislation to amend title V of the Social Security Act. The amendment provides additional Federal assistance to States and communities in preventing and combating mental retardation through new grant programs and the expansion and improvement of existing maternal and child health and crippled children programs.

This bill increased the \$25 million authorized annually for Federal-State matching grants for both maternal and child health services and for crippled children's services to \$30 million each for the fiscal year 1964, \$35 million each for 1965, \$40 million each for 1966 and 1967, \$45 million each for 1968 and 1969, and \$50 million each for 1970 and subsequent years.

In addition, the bill authorized three new programs: First, a 5-year \$110 million program of grants to public health agencies for the prenatal care of low-income expectant mothers who have conditions which could increase hazards to the health of mother and child; second, an \$8 million annual program of grants for research relating to maternal, child health, and crippled children's services; and, third, a \$2.2 million grant for planning projects to increase public awareness of mental retardation programs and to initiate local action against retardation.

In December, this House passed a bill appropriating \$41,886,000 to finance the first year of these two programs. This was in the form of a supplemental appropriation for the Department of Health, Education, and Welfare.

The Senate approved this amount for the mental health programs but added an additional \$216 million for impacted school areas.

This bill is presently in conference.

This is truly a remarkable accomplishment. The initiation of a broad new program in the area of mental health is highly significant in itself. For the same session of a Congress to appropriate funds for the first year of that program is doubly significant.

CLEAN AIR ACT

The Clean Air Act, passed by this session of Congress, will continue for 3½

years the existing program of research and technical assistance by the Department of Health, Education, and Welfare and the research grants to air pollution control agencies. In addition, it strengthens the authority of the Secretary of Health, Education, and Welfare and directs him to recommend remedial action. New programs of Federal grants to State, regional, and local air pollution control agencies and new programs of Federal action to abate interstate air pollution are also included. The bill authorizes \$5 million for the fiscal year 1964, \$25 million for 1965, \$30 million for 1966, and \$35 million for 1967.

This measure will grant the authority sought by President Kennedy in his message on health transmitted to the Congress on February 7. In that message he noted the overwhelming evidence linking air pollution to the aggravation of heart conditions and to increases in the susceptibility to chronic respiratory diseases. He also pointed out that economic damage from air pollution amounts to as much as \$11 billion every year and agricultural losses total \$500 million each year. Further industrial growth and the concentration of the population in urban areas would intensify this problem unless appropriate action was taken.

SAFETY: AUTOMOBILE SEAT BELT STANDARDS

This Congress, recognizing that substandard automobile seat belts are a hazard to the safety of the public, has passed a bill requiring that the manufacturers of those belts sold or shipped in interstate commerce meet certain safety requirements. Specifically, the bill directs the Secretary of Commerce, acting on the advice of the Bureau of Standards, to prescribe and publish minimum safety standards for seat belts.

Violations of these standards, if done "knowingly and willfully," are punishable by a fine of up to \$1,000, imprisonment for 1 year, or both.

MANPOWER DEVELOPMENT AND TRAINING ACT AMENDMENTS

Last year this Democratic-controlled Congress passed an act which was described by President Kennedy as, "perhaps the most significant legislation in the area of employment since the historic Employment Act of 1946."

He was referring to the Manpower Development and Training Act. Since September 1962 when that program of vocational and on-the-job training went into operation some 17,700 persons have completed courses. Of that number approximately 70 percent have been placed, almost all of them in training-related jobs. Projects involving 87,000 trainees have been approved and it is estimated that some 400,000 unemployed workers will be trained and placed in productive employment during the 3 years of the program. Training is now being offered in more than 300 different occupations and more than one-half of those in the training program have been drawn from the hard-core, long-term unemployed.

This is indeed a creditable record. The success of this program should be of interest to every citizen of the United States for the time has come when the problem of unemployment is everyone's problem. It is estimated that every person who is unemployed, if he is on relief, costs the taxpayers of the country \$1,000 per year. Manpower training, then, is not only a stimulant to the economy and an assist to the unemployed worker but also a sound investment.

This year we have amended the Manpower Development and Training Act in order to make this program even more effective. We have lowered the age of youth eligible for training allowances from 19 to 17. The 17-year-olds now eligible will have to have been out of school for at least 1 year.

The amendment permits up to 25 percent of the persons receiving training allowances to be youths under 22 years of age. The original act limited youth training allowances to 5 percent of the total training allowances.

We have also postponed the requirement, originally due to become effective next July 1, that individual States match Federal funds for manpower training. The amendment requires one-third matching by the States in the fiscal year 1966.

We have also added 20 weeks of basic education in reading and writing to the training allowance period.

In addition, the amendment permits increases in the weekly training allowances to \$10 above the State unemployment compensation payment. This provision is designed to motivate unemployed workers to seek training rather than to draw unemployment pay.

Trainees are allowed to work 20 hours a week without any loss in training allowance and they are made eligible for the program with 2 years of prior work experience rather than 3 as required by the basic law.

Finally, we have increased the authorizations for the program. The original act authorized \$161 million for each of the fiscal years 1964 and 1965. The amendment authorized \$161 million for the fiscal year 1964, \$407 million for the fiscal year 1965, and \$271 million for the fiscal year 1966.

RAILROAD RETIREMENT AND UNEMPLOYMENT INSURANCE FUNDS

The railroad unemployment insurance system, established in 1938, provides benefits for unemployed railroad employees and maternity benefits for female railroad employees. It is supported by payroll taxes paid by the employers. The railroad retirement system, which provides benefits to retired railroad employees on the basis of both age and disability, is financed by payroll taxes under which employee and employer pay equal amounts. The nature of these programs makes necessary the accumulation of large reserves for future use. However, the reserves in the retirement fund totaled about \$4 billion this year and current income to the system had fallen about \$77 million a year short of what

was needed to pay anticipated future needs. Nor was the unemployment insurance fund in a healthy state. Heavy demands had depleted reserves and required borrowing from the U.S. Treasury and the retirement system.

Public Law 88-133, enacted by this Congress, is intended to restore the finances of the railroad retirement and railroad unemployment systems to a sound condition. Its main provisions provide for an increase in the taxes paid by the employers and employees to support the systems. Other provisions are intended to increase the earnings of the retirement system funds invested in Government securities and to cut the expenses of the insurance system by tightening qualifications for benefits. At the same time, the law provides for gradually raising retirement benefits. Although little increase is expected in the near future, higher benefits are expected eventually to total about \$40 million a year.

LABOR LEGISLATION

The activities of the Department of Labor are essential to the promotion of the welfare of the wage earners of the United States, the improvement of their working conditions, and the advancement of their opportunities for profitable employment. Public Law 88-136 appropriated \$350,078,000 for the Department of Labor for the fiscal year 1964. This was in addition to the \$25,250,000 appropriated for that Department in the Supplemental Appropriations Act.

Related agencies whose appropriations were made in Public Law 88-136 were the National Labor Relations Board, \$22,460,000; the National Mediation Board, \$1,950,000; and the Federal Mediation and Conciliation Service, \$5,690,000.

In addition, we have appropriated \$200,000 for the President's Advisory Committee on Labor-Management Policy.

RAIL LABOR DISPUTE

On August 28 the Congress of the United States, by joint resolution, averted a national railroad strike which would have been disastrous in its effects. In his message on the rail dispute submitted to Congress on July 22, President Kennedy dramatically described the effects of a prolonged rail strike:

Many industries which rely primarily on rail shipment * * * would be forced to close down almost immediately. There would not be enough refrigerated truck capacity to transport all of the west coast fruit and vegetable crop. A substantial portion of these and other perishable products would rot. Food shortages would begin to appear in New York City and other major population centers. Mail service would be disrupted. The delay, cost, and confusion resulting from diverting traffic to other carriers would be extremely costly; and considerable rail traffic would be wholly incapable of diversion.

The national defense and security would be seriously harmed. More than 400,000 commuters would be hard hit.

As more and more industries exhausted their stockpiles of materials and components * * * the idling of men and machines would spread like an epidemic * * * The

August grain harvest would present a particularly acute problem.

The Council of Economic Advisers estimates that by the 30th day of a general rail strike, some 6 million nonrailroad workers would have been laid off in addition to the 200,000 members of the striking brotherhoods and 500,000 other railroad employees—that unemployment would reach the 15 percent mark for the first time since 1940—and that the decline in our rate of GNP would be nearly four times as great as the decline which occurred in this Nation's worst postwar recession.

At the same time, shortages, and bottlenecks would increase prices * * * thus impairing our efforts to improve our competitive position in foreign and domestic markets and to safeguard our balance of payments and gold reserves. And even if the strike were ended by private or congressional action on the 30th day, at least another month would be required before the economy would be back on its present expansion track. Indeed, a prolonged strike could well break the back of the present expansion and topple the economy into recession before the tax reductions and other measures now before the Congress for reinforcing the expansion have had a chance to take hold.

Without detailing the history of the dispute which made such a disastrous strike imminent, the main outlines of the problem may be recounted. The work rules dispute between railroad management and the railroad brotherhoods dates back to 1959 but did not reach crisis proportions until early 1963. Four years of negotiation, litigation, and attempts to resolve the basic questions at issue had failed.

The dispute arose when, on November 2, 1959, the railroads served notice of proposed work rules changes to the 5 railroad unions representing some 200,000 operating employees. It was estimated that initially the changes would eliminate 40,000 firemen from diesel and yard crews and would ultimately eliminate a total of 68,000 jobs.

On September 7, 1960, the unions served notice on the carriers of their proposed rule changes. Their recommendations concerned the same issues contained in the carrier proposals as well as changes in wage structure and fringe benefits.

On October 7, 1960, because of the vast gulf between the two sets of proposals, all parties agreed to refer the subject to consideration by a special Presidential study commission. The Commission, composed of five representatives of the carriers, five representatives of the unions, and five members representing the public, was appointed by Executive order on November 1, 1960. Neither side was to be bound by the determinations or recommendations of that Commission.

After 13 months of hearings and deliberations, the Commission issued its report on February 26, 1962. This report recommended specific changes in the current rules together with certain suggested employee protection provisions.

Litigation on the proposed changes culminated in a decision by the Supreme Court of the United States that there was no legal barrier to the initiation of the changes in the work rules with ap-

propriate bargaining and recourse to the Railway Labor Act procedures.

Since the parties were still unable to resolve their disputes, the President, on April 3, 1963, established an emergency board pursuant to section 10 of the Railway Labor Act. This Board was unable to mediate the dispute, but its report of May 13, 1963, did contain valuable recommendations designed to aid the parties in further collective bargaining.

In the meantime, the Secretary of Labor continued attempts to bring about a settlement. On July 10, 1963, at the request of the President, the parties agreed to maintain the status quo until July 29 in order that a special subcommittee of the President's Advisory Committee on Labor-Management Policy could review the dispute and report thereon. The President also announced that if the parties were unable to reach a settlement by July 29 he would send a special message and proposed legislation to the Congress. On July 22, when there appeared to be little hope for a settlement by July 29, the President did submit his message.

On August 28, just 6 hours before a nationwide strike was scheduled to begin, President Kennedy signed into law a joint resolution adopted almost unanimously in both Houses of the Congress. This act created an ad hoc seven-member arbitration board to resolve the two primary issues: Firemen on diesel locomotives and manning of train crews. It provided that an arbitral award would be made within 90 days, would take effect 60 days later, and would be in effect for 2 years unless the parties agreed otherwise. The five secondary issues of the dispute were not put within the purview of the commission but, rather, were subjected to further collective bargaining. A strike over any of those issues was prohibited for 180 days.

On August 16 the carriers and the unions had agreed, through the Secretary of Labor, that the two major issues in dispute should be submitted to arbitration. They were unable to agree on arbitration terms or the secondary issues. However, even this incomplete agreement allowed the Congress to implement what was actually a private and voluntary decision. This fact was pointed out by the President in his message accompanying the signing of the joint resolution and serves as an answer to those who fear future congressionally imposed arbitration of labor disputes. An editorial in the New York Times lauded the provisions as "the soundest approach now open for protecting the public against the crippling damage of a nationwide rail strike."

MEXICAN FARM LABOR PROGRAM

In December, the Congress passed a bill extending the Mexican farm labor program for 1 year. Under this program, initiated in 1951, an agreement is reached with the Republic of Mexico establishing procedures for admitting Mexican laborers for temporary employment in the United States. The Department of Labor recruits and places these

workers, assists farmers and workers to establish contracts for work, and requires farmers to pay transportation and to provide adequate housing and working conditions. This program has been extended periodically since that time.

The number of Mexican farm laborers entering the country has drastically declined since 1956. In that year 455,197 entered; in 1962 only 194,978 entered. The act has been renewed over the years because there were insufficient U.S. farm laborers available. Farmers who are unable to mechanize or to carry out expensive recruitment of labor would be greatly harmed if the program were suddenly terminated. In particular, the harvesting of next year's perishable crops would be impossible without the aid of the Mexican farm laborers. Termination of the program must be accomplished in such a way as to enable the users of Mexican farm labor to adjust to the end of the program.

EQUAL PAY ACT

Since 1945, many attempts have been made to enact legislation prohibiting discrimination in wages because of sex. Until 1962, no such bill passed either House. In that year equal pay measures passed both Chambers but never reached conference. That legislation would have established a new structure for the administration of the act and different standards of coverage from those existing under the Fair Labor Standards Act of 1938.

On June 10, President Kennedy signed into law the Equal Pay Act of 1963. He praised "those Members of Congress who worked so diligently to guide the Equal Pay Act through" and heralded it as "another structure base to democracy."

This act amends the Fair Labor Standards Act to require an employer of persons working in interstate commerce to grant equal pay "for equal work on jobs the performance of which requires equal effort and responsibility, and which are performed under similar working conditions."

This legislation marks a significant step forward in the drive for full equality of economic opportunity. There are almost 25 million women in the Nation's work force and justice demands that they receive the same compensation as men when they perform the same work. Discriminatory wage rates have an adverse effect upon purchasing power and the general standard of living. Such rates also affect the morale of the female worker and, consequently, her productivity. Nor can the unfair competitive advantage to the discriminating employer be condoned.

This legislation has an advantage over that considered in 1962 in that by amending the Fair Labor Standards Act it simplifies the administration and enforcement of the law. It is preferable to have the law administered by the Wage and Hour Division of the Department of Labor rather than to create an additional administering and enforcing structure within the Department.

UNEMPLOYMENT COMPENSATION

In 1958 Congress enacted the Temporary Unemployment Compensation Act which allowed the States to extend the length of time during which unemployment checks could be paid to jobless workers. To finance these extra benefits, the Congress authorized Federal loans to States which took advantage of the act. These loans were to be repaid before January 1, 1963. If they were not repaid, the Government would levy an additional tax of 0.15 percent of the State's taxable wage base each year until the amount of the loan was repaid. By 1963, only the District of Columbia had repaid its loan. Therefore, the act required that the employers in 16 States which had received loans pay an extra 0.15 percent tax on 1963 wages, 0.30 percent on 1964 wages, 0.45 percent on 1965 wages, and 0.60 percent on 1966 wages.

On November 7, 1963, the President signed Public Law 88-173, a measure designed to ease these taxes. It does not reduce the ultimate amount of taxes which must be paid by the employers in the States but it does freeze the rates at 0.30 percent for 1965, 1966, 1967, and 1968 and thus extends the payments over a longer period of time.

Three of the 16 States had also received advances from the Federal unemployment trust fund account under title XII of the Social Security Act. Existing law provided for the repayment of these advances in much the same manner as advances under the Temporary Unemployment Compensation Act. It set an extra tax on employers of 0.15 percent beginning with wages paid in 1961 and increasing 0.15 percent each year through 1970. Public Law 88-173 froze the tax at 0.15 percent for the years 1963 to 1967. Thereafter the tax will increase by 0.15 percent each year until the advance is repaid.

Existing law allowed the States to make repayments of these advances from their unemployment funds. In this way, they could avoid the extra tax on employers. However, the law did not allow repayments on an installment basis. Public Law 88-173 provided that the extra tax for the repayments under both the Temporary Unemployment Compensation Act and title XII of the Social Security Act would not go into effect for any one year if a State, prior to November 1 of that year, paid to the U.S. Treasury a specified installment on the advances. All of the provisions of this law are designed to ease the burden on States which were hard hit in the recession years between 1957 and 1960.

A related matter was covered by Public Law 88-31. In 1961, Congress, spurred on by rising unemployment, enacted the Temporary Extended Unemployment Compensation Act, a proposal of the Kennedy administration. This measure authorized Federal financial advances to the States to enable them to pay 13 weeks of additional unemployment insurance benefits to jobless workers who had exhausted their benefits under the State programs. To repay

the Federal Treasury for the advances thus authorized, the act raised by four-tenths of 1 percent, for calendar years 1962 and 1963, the existing unemployment insurance payroll tax levied on employers to support regular unemployment insurance programs. This year a tax reduction was recommended because the Department of Labor estimated that the retention of the four-tenths of 1 percent tax would produce an excess of \$172 million.

By Public Law 88-31, Congress reduced the extra tax from 0.4 to 0.25 percent. This was expected to save employers about \$181 million. It also increased by \$7,148,000 the fiscal 1963 authorization for grants to the States for the administration of their unemployment compensation laws and for the operation of employment offices.

HOUSING FACILITIES FOR THE ELDERLY

On February 21 President Kennedy sent to Congress a special message on aiding our senior citizens. In this message he pointed out that it has been estimated that nearly one-half of our aged population live in substandard housing or housing unsuited for their special needs. This is not a problem with which the Congress of the United States is unfamiliar. In 1962 the Democratic-controlled 2d session of the 87th Congress passed the Senior Citizens Housing Act. That act authorized a \$200 million expansion of Federal programs for the promotion of better housing for the elderly. This year another Democratic-controlled Congress, on the recommendation of a Democratic President, has further expanded that program.

Public Law 88-158 authorized the appropriation of an additional \$50 million for aid to the low-income elderly. The Housing Act of 1959, as amended in 1961 and 1962, authorized the Housing and Home Finance Agency to make direct loans, at interest below the market rate, from a special revolving fund. These loans are made to private nonprofit corporations, consumer cooperatives, and public agencies providing low-cost rental housing for the elderly; \$225 million had been authorized for this program and of that amount \$150 million had been appropriated and committed. The law we have passed this year authorized \$50 million to be added to the \$75 million authorized but not yet committed.

NATIONAL CULTURAL CENTER

On August 19 President Kennedy signed into law a bill which extended for 3 years the termination date for the drive for funds to erect a National Cultural Center. Since the original 5-year fundraising period was scheduled to expire on September 2, 1963, this noteworthy project would have been canceled if Congress had not acted.

This measure gives the trustees more time to raise, through public subscriptions, the estimated \$30 million needed to build the Center in the District of Columbia. It also increased the size of the board of trustees from 15 to 30 mem-

bers, thus permitting both a broader geographical representation and a broader representation of the arts.

In signing the bill, President Kennedy expressed his appreciation to the Members of the Congress for their continued interest. He pointed out that every major capital in the world has a cultural center which serves as a stage for demonstrating the best of the nations' cultural life. The lack of such a center in the Capital of this Nation is felt both by our own citizens and by foreign visitors. Through it, visitors will come to see the lasting benefits of a free society.

HISTORICAL PUBLICATIONS

In October this House passed a bill requested by the National Historical Publications Commission and supported by President Kennedy. This measure authorized Federal aid to public and private nonprofit organizations for the collecting, preserving, compiling, microfilming, and publishing of documentary source material significant to the history of the United States.

Under the present system of private financing of these activities with, it is true, occasional Federal help, much material of historical significance is not available to those who have need of it. This bill constitutes a significant contribution to historical scholarship.

TRIBUTES

On four occasions during this session we have had the honor of manifesting our esteem and admiration to a respected citizen of the United States or of the world.

In December this Congress voted to place the likeness of John F. Kennedy on the 50-cent piece. This bill was proposed by President Johnson as a means of honoring the assassinated President and is a fitting memorial.

In a tribute to one of America's most beloved and admired citizens, we have passed a bill granting a Federal charter to the Eleanor Roosevelt Memorial Foundation. That organization, designed to foster the ideals and activities of Mrs. Franklin D. Roosevelt, will have no Federal financial backing. However, the granting of a Federal charter provides, as President Kennedy stated in signing the bill, "a fitting and effective way to carry on the programs to which Mrs. Roosevelt so ably dedicated her life."

The intent of Congress was well expressed by President Kennedy in his remarks at the proclamation ceremonies declaring Sir Winston Churchill a citizen of the United States. That proclamation was made as a result of a bill passed by the Congress of the United States. President Kennedy said:

We meet to honor a man whose honor requires no meeting—for he is the most honored and honorable man to walk to the stage of human history in the time in which we live. By adding his name to our rolls, we mean to honor him—but his acceptance honors us much more.

The granting of honorary citizenship to a foreign national is unprecedented in

our history. By granting it to Sir Winston Churchill, we have recognized one of America's greatest friends and his many contributions to the free world.

This Congress has passed a bill which, I am confident, expresses the wishes of every citizen of the United States. Its purpose is to ease the transition to private life of former First Lady Jacqueline Kennedy. As approved, it will provide \$50,000 for temporary secretarial help and office space for 12 months so that she may reply in an appropriate manner to the thousands of letters and telegrams from people throughout the world expressing their sympathy on the tragic death of her husband. The bill also extended free mailing privileges to her for life and authorized the payment of \$15,000 for the late President's funeral and burial expenses.

Because it was the unanimous view of Federal law-enforcement experts that an element of danger to Mrs. Kennedy and to her children exists, the bill also extends Secret Service protection for 2 years.

This bill expresses in only a very small way the inspiration which Mrs. Kennedy's example of dignity, courage, and poise has been to every one of us and to people throughout the country.

ASSASSINATION INVESTIGATION

Public Law 88-202 grants full subpoena powers to the special seven-member Commission appointed by President Johnson on November 29 to investigate the assassination of the late President Kennedy and the subsequent violent death of the man charged with the assassination. This Commission is directed to discover all of the facts in the case and to report these facts to the President, to the American people, and to the world.

This legislation, which was requested by the Commission, is necessary in order that the Commission may compel witnesses to testify and to produce evidence.

CIVIL RIGHTS

The only civil rights legislation passed since the Civil War was enacted by the 85th and the 86th Congresses, both Democratic controlled. In addition, as President Kennedy pointed out in his special message on civil rights submitted to the Congress on February 28:

In the last 2 years, more progress has been made in securing the civil rights of all Americans than in any comparable period in our history. Progress has been made—through Executive action, litigation, persuasion and private initiative—in achieving and protecting equality of opportunity in education, voting, transportation, employment, housing, government, and the enjoyment of public accommodations.

The Congress and the Democratic Party can be justifiably proud of their record.

But pride in our progress has not blinded us to the fact that discrimination continues to exist in this country. As the report of the Civil Rights Commission, submitted to the President on February 12, stated, citizenship is not yet "fully realized for the American Negro."

This is a problem which is national in scope, and further steps toward the elimination of the injustices and humiliations of racial discrimination must be taken. To the Congress falls the task of working out a constitutional, reasonable, and desirable means to right this wrong.

Aware of the heavy responsibility we bear and the delicate task we face, this body has devoted much thought and time to the best method of accomplishing the desired ends. On November 20, the Judiciary Committee of this body reported a bill described by the majority of the members of that committee "as a reasonable and responsible bill whose provisions are designed effectively to meet an urgent and most serious national problem." This is no small accomplishment, and it is sincerely hoped and anticipated that the early days of the next session of this Congress will witness the passage of a new Civil Rights Act.

The major provisions of the bill reported by the Judiciary Committee may be described in general terms:

Title I concerns voting rights. It is designed to meet the problem of lengthy and often unwarranted delays in judicial proceedings under the prior Civil Rights Acts and the discriminatory use of literacy tests and other devices by registration officials.

Title II would prohibit discrimination on grounds of race, color, religion, or national origin in specified places of public accommodation. Included are hotels and motels, theaters and other places of amusement presenting sources of entertainment which move in interstate commerce, and restaurants, lunch counters, and gasoline stations which sell food or goods which move in commerce or serve interstate travelers. Discrimination in such establishments is also outlawed if it is supported by State action.

Title III relates to the desegregation of public facilities. It authorizes the Attorney General, under certain circumstances, to bring suit to desegregate public facilities, other than schools, which are owned or operated by State or local governmental units. It would also authorize the Attorney General to intervene in pending actions in the Federal courts where relief from discriminatory practices by State or local governmental units or officers is sought.

Title IV covers the desegregation of schools. It authorizes the Commissioner of Education to provide, upon application by local authorities, technical assistance and financial aid to assist in dealing with problems incidental to desegregation. It also authorizes the Attorney General to initiate suits seeking desegregation of public schools where the student or parents involved are unable to bring suit and where he considers that a suit would materially further the public policy favoring the orderly achievement of desegregation in public education.

Title V effects minor procedural and technical changes in the Civil Rights Commission, makes it a permanent body,

and gives it additional authority to serve as a national clearinghouse for information concerning denials of the equal protection of the laws and to investigate allegations as to patterns or practices of fraud or discrimination in Federal elections.

Title VI declares it to be the policy of the United States that discrimination on the ground of race, color, or national origin shall not occur in connection with programs and activities receiving Federal financial assistance. It also authorizes and directs the appropriate Federal departments and agencies to take action to carry out this policy.

Title VII seeks to eliminate, through the utilization of formal and informal remedial procedures, discrimination in employment based on race, color, religion, or national origin. It authorizes the establishment of a Federal Equal Employment Opportunity Commission and delegates to it the primary responsibility for preventing and eliminating unlawful employment practices.

Title VIII directs the Secretary of Commerce to conduct a survey to compile registration and voting statistics in those geographic areas recommended by the Civil Rights Commission.

Title IX provides for appeals for higher court review when a Federal court has refused to accept transfer or a civil rights case to it from a State court.

Each of these provisions is designed to meet a form of discrimination presently existing.

CIVIL RIGHTS COMMISSION

On October 7, the House sent to the President a private bill for the relief of Mrs. Elizabeth Mason. To it was appended an amendment extending the life of the Civil Rights Commission to September 30, 1964. Admittedly, this was a stopgap measure. The future of that Commission hinges on the omnibus civil rights bill discussed above.

As noted, the civil rights bill reported by the Judiciary Committee of this body would make the Commission a permanent body and give it additional authority. Since action on that bill is not yet complete, the enactment of Public Law 88-152 assumes a great importance. For without timely action, the Civil Rights Commission, established in 1957 and extended for 2-year periods in 1959 and 1961, would have expired on September 30 of this year, with 60 days following that date to wind up its affairs.

The 1960 platforms of both major parties promised to create a permanent Civil Rights Commission. That remains the hope of the Democratic majority in the House of Representatives. We have insured that the invaluable work of that body will not be interrupted. The experience which it has gained in the 6 years of its existence has enabled it to make a most significant contribution toward the solution of one of the most critical problems of our times. It has investigated deprivations of the right to vote and denials of equal protection of the laws in housing, employment, education, and the administration of jus-

tice. Its reports and recommendations have served as the basis for remedial action by the executive branch and by Congress. In debate on the extension of the Commission, the chairman of the Judiciary Committee of this body described those reports most eloquently. They are, said Chairman EMANUEL CELLER, "like unto the ringing of a bell to shake the torpor of the American conscience."

In his civil rights message of February 28, President Kennedy enumerated the reasons why it is essential that the Commission be maintained. Despite its remarkable accomplishments, there are other areas of violations of rights which remain to be investigated. But perhaps of even greater importance is the fact that as more and more communities recognize the discrimination existing within their jurisdiction, they must have some impartial agency to which they can turn for guidance and for information on how similar racial problems have been settled in the past. The Civil Rights Commission is eminently qualified to fulfill this function.

AGRICULTURE

The principles and purposes of the Democratic administration relative to a viable agricultural program were perhaps best summarized by President Kennedy in his farm message to the Congress of the United States on January 31:

Proper management of our resources of food and fiber is a key factor in the economic future of the Nation. Both fiscal necessity and economic commonsense require us to go beyond the gains we have made in the last 2 years. Our capacity to produce still outruns the growth of both domestic and foreign demand for food and fiber. Our abundance must still be harnessed in such a way as to bring supply and demand more nearly into balance. And the benefits of our agricultural progress still need to be translated into improved income to farm families, lower prices to consumers for food and fiber, expanded exports, and reduced expenditures for price support programs.

The net farm income in both 1961 and 1962 was raised to its highest peak since 1953. The substantial decrease in Government surpluses has resulted in a real saving to the taxpayers. But, not content with this admirable record, this body, in conjunction with a Democratic President and a Senate controlled by the Democratic Party, has pushed forward in this area during this session of Congress.

The Department of Agriculture, of course, is the agency primarily concerned with this vital aspect of our economy. It is this Department which performs functions relating to research, education, conservation, marketing, regulatory work, agricultural adjustment, surplus disposal, and rural development. We have appropriated \$6,224,370,215 for the fiscal year 1964 for that Department.

This was in addition to \$32,610,000 appropriated for the Department of Agriculture in the Supplemental Appropriations Act. A further appropriation to the Department in connection with the operations of the Commodity Credit Corporation is discussed below.

COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation is directed by law to carry on several important functions. It is the agency established to make loans on and purchase any amounts of commodities offered to it by farmers. It stores surpluses, operates surplus disposals, conduct special feeding, and special export programs, and makes payments under the various cropland retirement programs.

On February 28, the Secretary of Agriculture, Orville L. Freeman, reported that only \$127.6 million of the Commodity Credit Corporation's \$14.5 billion authority to borrow from the Treasury and private sources remained. He described this as a "perilously low level."

The Congress acted quickly to insure that the necessary functions performed by the Corporation would not be interrupted. We passed a supplemental appropriation of \$508,172,000 for the Department of Agriculture for the fiscal year 1963. This was to meet expenses of the Corporation in providing surplus commodities for sale abroad.

AGRICULTURAL EXPERIMENT STATIONS

Most of the State agricultural experiment stations were established as long as 70 years ago and such facilities are inadequate for utilization research. Such research, the finding of new markets and new uses for agricultural products, is essential to the well-being of the Nation's agricultural program. Accordingly, the Congress, during this session, passed a bill authorizing matching Federal grants to the States to assist in the acquisition, construction, and remodeling of buildings, laboratories, and other capital facilities of the State agricultural experiment stations.

FEED GRAINS

When President Kennedy assumed office, feed grains constituted one of the most crucial agricultural problems. The surplus of over 3 billion bushels of feed grains would have multiplied to nearly 4 billion bushels by the end of the crop year if no steps had been taken. The voluntary feed grains program authorized in 1961 and extended in 1962 marked the beginning of the solution to this problem. It was estimated that, because of that program, the surplus would be reduced by 860 million bushels by October of this year. As a result taxpayers would save over \$800,000 a day. The Secretary of Agriculture, Orville Freeman, estimated that by the end of the 1964 marketing year the entire feed grain surplus will have disappeared, leaving only the supply of feed grains needed for national reserves. This is a spectacular accomplishment and is attributable to the feed grains program. Had we not enacted new legislation this year, unlimited production and low prices would have accompanied the end of the existing program. Such disastrous results were prevented by the signing of Public Law 88-26 on May 20 of this year.

Under the feed grains acreage diversion program, the Government offers incentives, such as land diversion payments and higher price supports, to farmers

who take feed grain acreage out of production. The theory upon which this is based and which has been borne out in this program is that in the long run it is less of a burden on the taxpayers of this country to make such payments than it is to buy the surpluses and pay storage costs on them over the year. The bill passed this year differed from the 1962 law in that it left details to the discretion of the Secretary of Agriculture. Without elaboration, the major provisions of this bill may be summarized as follows:

First, it authorized the Secretary of Agriculture, if he determines that the supply of feed grains would otherwise be excessive, to institute a feed grains acreage diversion program in 1964 and 1965 under which price supports would be paid to farmers who voluntarily take out of production up to 50 percent of the average acreage planted in feed grains in 1959 and 1960.

Second, it authorizes the Secretary to set price supports for corn between 65 and 90 percent of parity.

Third, it authorizes the Secretary to issue payment-in-kind certificates to cooperating farmers. These certificates would be equal to a maximum of 50 percent of the price support rate on the normal production of the retired areas.

Fourth, it requires that the retired areas be put to soil conserving uses but permits certain crops, if unsupported and nonsurplus, to be grown in exchange for a minimum 50-percent cut in the diversion payment.

Fifth, it authorizes the Secretary, as an incentive to cooperation, to offer direct payments-in-kind based on the normal production of the actual planted areas.

Sixth, it directs the Commodity Credit Corporation to issue negotiable payment-in-kind certificates to cover the direct portion of price support and the acreage diversion payments.

Seventh, it permits the Commodity Credit Corporation to purchase the certificates from farmers and to market an equivalent amount of grain.

Eighth, it sets the value of grain used in payment at not less than the current support price minus the value of the direct payment plus carrying charges and authorizes the Commodity Credit Corporation to deduct reasonable carrying and storage charges from the value of certificates presented for redemption after 30 days.

Ninth, it permits the Secretary to make up to 50 percent of the payments in advance, to provide bases for a few farmers who did not grow feed grains during the 1959-60 base period, to make adjustments for hardship or emergency situations, under certain conditions to exempt producers of malting barley from acreage cutbacks, and to provide for sharing of payments among several producers on a farm. This program is based upon the principles embodied in the 1961 and 1962 programs but takes advantage of the knowledge and experience gained from the highly successful operation of those programs.

COTTON

In his farm message, transmitted to the Congress on January 31, President Kennedy said:

A healthy, growing cotton industry is vital to the strength and prosperity of our Nation.

He went on to enumerate the problems which confront the cotton industry, problems which, as he pointed out, "it alone cannot resolve."

To protect U.S. growers of cotton and to maintain large export market for our raw cotton, the Government supports domestic raw cotton prices and provides exporters with a subsidy to make the supported cotton competitive in world markets. For a combination of reasons, this program has resulted in a decline in cotton sales, an increase in the stockpiles of cotton, and a decrease in the growers' acreage allotments. The major reasons for this situation are the rapid growth of imports and the competition from textiles made with artificial fibers.

Domestic cotton prices are being supported at a level of nearly 32½ cents a pound through acreage allotments and the purchases of surplus stocks by the Commodity Credit Corporation. The world market price of cotton is 24 cents a pound. Therefore, U.S. cotton can be sold on foreign markets for considerably less than it can be purchased in the United States. The program has worked perversely in discriminating against American textile manufacturers and in accentuating the surplus problem by encouraging the substitution of synthetic fibers for cotton. The Commodity Credit Corporation now has more than 8 million bales of surplus cotton and the cost of controlling cotton production, buying up surpluses, storing them, and subsidizing exports is running at a rate of about \$1 billion a year.

In December, this body passed a bill, supported by both President Kennedy and President Johnson, which provides for a Federal subsidy which would reduce the cost of raw cotton for domestic textile manufacturers to a level competitive with the low world market price paid by foreign textile manufacturers. This subsidy would be paid in the form of raw cotton withdrawn from the mounting national stockpile and the amount of the subsidy would be at the discretion of the Secretary of Agriculture.

The bill also directs the Secretary of Agriculture to establish a special program of research to reduce the cost of cotton production in the United States. An appropriation of \$10 million annually was authorized for this purpose.

The other provisions of this bill, too complex to enumerate, revised the cotton acreage control and price support laws.

It is anticipated that when this measure is enacted it will make domestic mills more competitive with foreign mills and cotton more competitive with other fibers. A reduction in cotton surpluses and an attendant decrease in the cost to the American taxpayer will result.

SHIPPING

In 1961, Congress passed the dual rate shipping law, which gave the Maritime

Commission greater regulatory powers over dual-rate contracts. Under dual-rate contracts, steamship conferences—voluntary associations of ocean carriers which serve common routes—charge two rates, one for shippers who agree to ship exclusively in conference ships and another higher rate for those who do not sign an exclusive agreement. The law set a deadline of April 3, 1963, for Commission action in approving, disapproving, or modifying dual-rate contracts.

Early in 1963 the Commission notified Congress that an extension of the time limit was necessary. In response, Congress enacted Public Law 88-5 by which the time limit for Commission action was extended for 1 year.

NATURAL RESOURCES

The formulation and administration of programs for the management, conservation, and development of our natural resources is the important task performed by the Department of the Interior.

Public Law 88-79 provided appropriations for that Department—except for its power agencies—for the fiscal year 1964. The total appropriation was \$612,061,750. Of that amount \$595,301,750 is in definite appropriations. Included in this total are the following amounts:

Bureau of Land Management.....	\$45,212,500
Bureau of Indian Affairs.....	206,623,550
National Park Service.....	112,524,500
Bureau of Outdoor Recreation.....	1,900,000
Geological Survey.....	63,700,000
Bureau of Mines.....	39,528,000
Bureau of Sport Fisheries and Wildlife.....	47,192,400

This is in addition to \$33,169,650 appropriated for the Department of the Interior in the supplemental appropriation bill.

OUTDOOR RECREATION FACILITIES

The Democratic-controlled 85th Congress authorized the first inventory of outdoor recreation resources in the Nation's history. It directed an Outdoor Recreation Resources Review Commission to survey available play areas and to predict needs for the future. Accordingly, a 15-member Commission was formed. The report of that group was transmitted to Congress in 1962. It urged the Federal Government to coordinate Federal, State, local, and private activities in a massive effort to insure adequate recreation facilities. It noted that over 90 percent of the population of the United States participates in some form of outdoor recreation and found a great need for additional outdoor recreation areas and facilities. It urged that the need be met by the coordination of activities at the various levels of government.

In 1962 a Bureau of Outdoor Recreation was established in the Department of the Interior. It was charged with the responsibility of formulating a nationwide outdoor recreation plan, of encouraging regional and intergovernmental cooperation, of sponsoring and engaging in research, and of promoting the public use of outdoor recreation facilities.

In May of this year the Congress of the United States enacted legislation giving statutory authority to that Bureau. Public Law 88-29 directed the Secretary of the Interior to prepare an inventory of outdoor recreation needs, to formulate within 5 years a nationwide plan for future recreation development by Federal, State, and local agencies, to sponsor research and educational plans, and to coordinate all Federal activities concerned with outdoor recreation.

On May 28, President Kennedy signed this measure into law. He stated his belief, shared by Members of this body, that "all Americans will ultimately benefit" from this "recognition of the Congress of the vital need to protect and wisely administer this Nation's great heritage of outdoor recreation resources."

GUAM

In November, President Kennedy signed into law two complementary bills concerned with Guam, our westernmost possession in the Pacific. Because this possession has been rightly described as "the showcase of democracy in the Far East," its position in our national interest cannot be overlooked.

The first of the bills, Public Law 88-170, authorizes the payment of \$45 million to the Government of Guam to provide for rehabilitation in connection with damage caused by Typhoon Karen in 1962. That storm totally destroyed or extensively damaged approximately 70 percent of the civilian residential housing and 40 percent of the commercial structures on the island. In April of this year a second storm, Typhoon Olive, leveled many of the temporary housing units erected to house the homeless Guamanians. Of course, much of the rehabilitation required is unrelated to the typhoons. No really permanent effort has yet been made to rehabilitate the island from the ravages of World War II.

Of the \$45 million authorized by this bill, over \$34 million will be in the form of loans and is repayable to the Federal Government over a 30-year period. The remaining \$10,700,000 will be in grants.

The second bill, Public Law 88-171, was passed to clarify and make more certain the authority of the territory of Guam to create a public agency empowered to carry out urban renewal and housing activities and to participate in Federal programs of assistance in this area. No additional expenditure of Federal funds is involved in this measure. It merely defines the authority of the Legislature of Guam to undertake this much-needed program. It should insure a positive program of urban zoning and renewal.

The sacrifices and patriotism of the people of Guam are unquestioned. The passage of these bills is in the best interests both of that island and of the United States.

PUERTO RICO COMMISSION

In October, this body passed a bill establishing a United States-Puerto Rico Commission on the Status of Puerto Rico. The Commission was directed to study all factors bearing on the present and future relationship between the

United States and that Commonwealth including existing applicable laws, treaties, constitutions, and agreements. The Commission, made up of seven U.S. members and six to be designated at the option of Puerto Rico, is required to report to the legislatures and heads of Government of the United States and Puerto Rico on the opening day of the 2d session of the 89th Congress, January 1966.

The purpose of this Commission is to clarify the present relationship between the United States and Puerto Rico and to provide the basis for consideration of our future relationship.

In December the Senate passed this bill with minor amendments. Final action is imminent.

FEDERAL AID HIGHWAY ACT AMENDMENTS

In 1958 Congress initiated a program of Federal incentives for billboard control by the States. The Highway Act of 1956 had prohibited the construction of service stations and rest stops on all future interstate highways but contained no provision for the control of billboard displays. In 1958 a majority of the Members of the Congress agreed that such control would be beneficial in preserving the natural beauty of this richly endowed country, in preventing erosion, and in permitting landscaping and reforestation. Therefore, Congress adopted controls but instituted a bonus program rather than direct Federal regulation.

Under that program a State must pass legislation prohibiting billboard advertising, with certain exceptions, within 660 feet of new rights-of-way acquired after July 1, 1956, along the Interstate Highway System. States passing such legislation receive a one-half of 1 percent bonus on the Federal funds apportioned to them for construction. In 1961 these controls were renewed for 2 years and on June 30 of this year they expired.

On October 24 the Federal Aid Highway Amendments Act of 1963 was enacted. This law extended for 2 years the program of Federal incentives for billboard control. Other provisions were designed to improve the planning and administration of the existing interstate highway program and did not involve any new programs or funds.

PUBLIC WORKS

Public Law 88-25, the supplemental appropriation bill for 1963, included a significant appropriation to finance public works projects under the 1962 Public Works Acceleration Act.

That act had authorized the President to allocate \$900 million to initiate or accelerate, in eligible areas, previously authorized Federal public works projects or State or local public works projects for which Federal aid has previously been authorized. In 1962 the Congress appropriated the first \$400 million. This supplemental appropriation bill appropriated an additional \$450 million for the program.

In addition, the public works appropriation bill passed in December provided for the appropriation of \$30 mil-

lion toward this program which has so successfully stimulated the U.S. economy.

RIVER BASIN DEVELOPMENT

In December we passed a bill authorizing an appropriation of \$816,847,000 for flood control and navigation projects in certain river basins. Of this total, \$700 million is an added authorization for projects agreed upon earlier and \$116,847,000 will be used for additional projects.

Agreement on this bill came after prolonged debate with our coordinate body. Compromise on the provisions became imperative because some projects had run out of funds and others were about to. This is a reasonable agreement. In fact, as the gentleman from Oklahoma [Mr. EDMONDSON] said:

A great new chapter in water resource development is being written by this program.

FINANCE

The basic purpose of the Department of the Treasury, despite the diversification of its activities throughout the years, remains the same as it was in 1789 when that Department was created. That purpose is the management of the financial affairs of the Nation. The import of this activity is so obvious as to require no elaboration.

Public Law 88-39, signed by President Kennedy on June 13, appropriated \$1,103,650,000 for the Treasury Department for the fiscal year 1964. This is in addition to \$8,544,900 included in the supplemental appropriation bill.

TAX REDUCTION AND REFORM

In his state of the Union message, delivered before a joint session of Congress, President Kennedy put forth his proposals for the revision of the income tax structure. There he noted that—

It is increasingly clear—to those in Government, business, and labor who are responsible for our economy's success—that our obsolete tax system exerts too heavy a drag on private purchasing power, profits and employment. Designed to check inflation in earlier years, it now checks growth instead. It discourages extra effort and risk. It distorts the use of resources. It invites recurrent recessions, depresses our Federal revenues, and causes chronic budget deficits.

Thus did he announce the reasons for his tax proposal, reasons to be repeated in his budget message of January 17, his economic report to Congress of January 21, his special message on tax reduction and reform of January 24, and numerous speeches before private groups. On November 15, 1 week before his death, he predicted that if the tax reduction bill was passed promptly—

We will be sailing by next April on the winds of the longest and strongest peacetime expansion of our Nation's economic history.

Great strides toward economic security were made during that all too brief period when a Democratic-controlled Congress worked with the late President Kennedy. Our national output made a phenomenal rise from \$500 to \$600 billion. Labor income increased by 16 per-

cent. For the first time in our history 70 million persons were at work in this country. Factory earnings exceeded \$100 per week for the first time in history, an average increase of \$10 per week in 3 years. The stock market broke all records. This is a record which President Kennedy, the Congress and the Democratic Party were justifiably proud of.

One critical domestic problem which has been attacked but not solved is that of unemployment. If the economy had grown in the past 2½ years at the rate it grew during the previous 2½ years, the unemployment rate today would be up to 8 percent rather than at the present 5½ percent. But even 5½ percent is too high. Some 4 million workers are idle and over 3 times that many experienced some unemployment during this year.

This fact must be considered in relationship to the Nation's unprecedented supply of manpower. The extraordinarily high birth rate in the 1940's and the replacement of men by machines means that we must discover some means of stimulating a demand for manpower equal to the supply. A majority of the Members of this body believe that this stimulation will come from the enactment of a tax reduction and reform program. Accordingly, on September 25, a \$11.1 billion tax reduction for individuals and corporations, the largest in the Nation's history, was passed by this House.

As passed, H.R. 8363 would reduce individual tax bills an average of 20 percent over a 2-year period. Some of the reform provisions of the bill would raise taxes, leaving a net average reduction of 18.8 percent. New rates on individual income taxes would range from 14 percent in the lowest bracket to 70 percent in the highest. The present range is 20 to 91 percent. The present 52-percent tax on corporation income would be lowered to 48 percent in 2 years.

In addition to these changes in tax rates, this bill constitutes a broad overhauling of the Federal tax laws. Provisions, much too complex and lengthy to detail here, cover such matters as the rate of payment of corporation taxes, numerous changes in deductions, a drastic revision of the tax rules on capital gains, new limits on immunity, and various other structural changes. These provisions will provide greater equity, a broader tax base, full and efficient flow of capital, the simplification of tax administration and compliance, and the removal of special privileges and hardships.

This measure is a very complex and a very important one. As President Kennedy said in his March 13 speech to the Advertising Council:

We are talking about, in a sense, something new, and it is appropriate that we talk about it in detail.

This body has talked about it in great detail. The coordinate body is now doing likewise. It is anticipated that final action on this historic bill will be taken early next year.

CORPORATE AND EXCISE TAXES

Many temporary excise taxes were levied during the Korean war. Others

have been added since. On June 29 of this year the President signed into public law the 10th annual extension of these taxes.

Extension of these taxes, scheduled to expire on June 30, was expected to result in \$2.8 to \$2.9 billion for the Federal Treasury during the 1964 fiscal year. It was estimated that expiration of the taxes would cost the Government between \$4.1 and \$4.2 billion in loss of revenue during a full year of operation.

These extensions were requested by President Kennedy in his budget message, transmitted to Congress on January 17. The majority of the Members approved a flat extension of the rates even though the corporation tax might later be reduced as part of President Kennedy's omnibus tax bill. This bill, therefore, merely prevented a substantial loss of revenue pending consideration of the more inclusive tax bill to be discussed below.

Specifically, Public Law 88-52 extended for 1 year, through June 30, 1964, the existing 52-percent corporation income tax rate and the existing rates of excise tax on distilled spirits, beer, wine, cigarettes, passenger cars, automobile parts and accessories, general telephone service, and passenger travel by air.

SILVER PURCHASE REPEAL

In his January 21 Economic Report to the Congress, President Kennedy urged "revision in our silver policy to reflect the status of silver as a metal for which there is an expanding industrial demand." The fact which prompted this request is the soaring demand for silver. Thirty years ago over 90 percent of the silver mined throughout the world went for monetary use, for tableware, and for jewelry. At that time less than 10 percent went for commercial uses. Today, long-established commercial uses have enormously increased and many new uses have accompanied the advent of the space age. In the United States alone, industrial consumption increased tenfold in 30 years.

At the time that demand was increasing the supply of silver was decreasing. The production of silver on this side of the Iron Curtain has declined from 254 million ounces for the yearly average for 1925-29 to 199 million ounces in 1962.

The result was that the Treasury Department ran out of nonmonetary silver which it had, for years, been unloading on the market to make up for the gap between production and consumption of silver in the United States and to prevent an increase in the price of the silver. On November 28, 1961, at the direction of the President, the Secretary of the Treasury suspended sales of silver. It became obvious that a revision of our silver policy was needed. The adverse effects of a failure to do so are well chronicled in an article which appeared in the *Economist*:

Relief is sorely needed. If the present antiquated laws on silver remain unchanged, within 2 years the Treasury will have run through its own supplies of the metal and, because America produces only one-sixth of

its domestic needs, it would be forced to compete with private purchasers on foreign markets. This would not only imply an unwelcome and unnecessary drain on America's balance of international payment; it would also almost certainly mean a rapid rise in the price of silver above the established monetary price of \$1.29 an ounce. This, in turn, would tempt citizens to melt down coins and turn in \$1 bills for their value in silver as fast as the Treasury produced them, making a complete farce of the Treasury's efforts to provide Americans with an adequate supply of money in small denominations.

In order to prevent this nightmare, the 1st session of the 88th Congress repealed the Silver Purchase Act of 1934 and certain provisions of the acts of July 6, 1939, and July 31, 1946, relating to silver purchase. This new measure, Public Law 88-36, marks the end to policies adopted in 1933 when the Federal Government began to subsidize silver miners and represents an urgently needed adjustment to vastly changed circumstances.

This law authorizes the issuance of gold-backed \$1 and \$2 Federal Reserve notes to replace \$1 and \$2 silver certificates. Thus the silver reserve fund backing these certificates is released for use in coins. It also repealed the silver purchase acts which required the Treasury to buy newly mined domestic silver offered to it at 90.5 cents per ounce and repealed the 50-percent transfer tax on profits made in silver sales. It is estimated that this law will release sufficient silver to satisfy coinage needs for 15 years.

NEW ASSISTANT SECRETARY OF THE TREASURY

To further expedite the myriad activities of the Department of the Treasury, this Congress has authorized a fourth Assistant Secretary of the Treasury. That Department had fewer Assistant Secretaries than other departments and a member of the classified civil service was performing the duties and accepting the responsibilities of an Assistant Secretary in overseeing the work of the mint and the Secret Service. This bill raised that position to the level of an Assistant Secretary. No increase in salary or other costs were involved.

NATIONAL DEBT LIMIT

On three occasions during the 1st session of the 88th Congress, the national debt limit of the United States has been raised. This was necessary in order to give the Treasury Department the needed flexibility to take advantage of favorable market conditions. In addition, some leeway is needed to handle the immediate and unexpected needs of Government agencies.

In 1962, Congress provided for a temporary fiscal 1963 debt limit of \$308 billion from July 1, 1962, through March 31, 1963; \$305 billion from April 1 through June 24, 1963; and \$300 billion from June 25 through June 30, 1963. On July 1, the debt limit would drop to the legal permanent limit of \$285 billion.

In his budget message of January 17, President Kennedy requested prompt extension of the \$308 billion limit until June 30. The Secretary of the Treasury, Douglas Dillon, urged Congress not to

force him "to resort to an array of unsound financial procedures."

Responding, Congress in May raised the ceiling from \$305 billion to \$307 billion until June 30 and to \$309 billion for July and August. To prevent the limitation from reverting to its permanent level of \$285 billion on September 1, Congress extended the temporary \$309 billion debt limit from August 31 until November 30, 1963. In November the limit was again raised. The new ceiling established was \$315 billion and is to carry the Treasury through June 29, 1964.

DUTY-FREE ALLOWANCE

As part of the administration's program to counter the balance-of-payments deficit, the Congress, in 1961, enacted legislation which reduced from \$500 to \$100 the total value of articles acquired abroad which might be brought in duty free by a resident returning to the United States. That bill was due to expire on June 30, 1963.

On June 29 the President signed Public Law 88-53. This bill extended the temporary reduction for 2 more years. The Treasury Department reported that the reduction had, in 1962 alone, lowered U.S. expenditures abroad by \$123 million. The reduction is obviously a useful means of combating the balance-of-payments deficit.

COMMUNICATIONS: SUSPENSION OF EQUAL TIME REQUIREMENT

In June, this body passed a joint resolution, recommended by President Kennedy, providing for the suspension of section 315(a) of the Communications Act of 1934. Under that section a broadcasting station providing time to a political candidate must offer equal time to all other candidates for the same office. In 1960, the Congress had suspended this requirement to permit the Democratic and Republican presidential and vice presidential candidates to use broadcasting facilities without requiring the broadcaster to provide equal time to minor or splinter-party candidates. This temporary suspension permitted the debates between Mr. Kennedy and Mr. Nixon.

This bill is presently in conference with representatives of the Senate and only very minor differences remain to be settled. The main thrust of the measure will be identical with that passed in 1960.

CAMPAIGN COSTS: PRESIDENTIAL TRANSITION ACT

In 1961 President Kennedy established the President's Commission on Campaign Costs to recommend improved ways to finance the expenditures required of nominees for the offices of President and Vice President. On April 18, 1962, that Commission issued its report. Among other recommendations, it proposed that the Government pay the expenses incurred in the transition from one administration to another.

The costs of the transition are essential Government expenses which are pertinent to the offices of President and Vice President and should be borne by the Federal Government. To place this bur-

den on the national committee of the political party or on private individuals or groups is unfair. Also, disruptions during this period of the transfer of executive and administrative power cannot be countenanced.

Accordingly, both houses of the Congress, during this session, have passed bills authorizing the Administrator of the General Services Administration to provide office space, compensation for staff personnel, travel expenses, subsistence allowances, and communications and printing services for the President and Vice-President-elect. Amendments by the Senate have sent this bill to conference but it is expected that final action will come soon.

VETERANS

The Veterans' Administration was established in 1930 to administer those laws passed by Congress which authorize benefits for former members of the Armed Forces and for the dependents and other beneficiaries of deceased former members of those forces. The supplemental appropriation bill appropriated \$46,300,000 to enable the Administration to carry on its valuable work.

The independent offices appropriations bill appropriated \$5,384,784,000 for the Veterans' Administration for the fiscal year 1964.

In his budget message, transmitted to the Congress on January 17, President Kennedy expressed the theme which has been adopted by the present Democratic-controlled Congress relative to legislation for the welfare of veterans of the Armed Forces. He said:

This country has recognized that the Government's primary obligation for veterans benefits is to those who incurred disabilities in the defense of our Nation and to the dependents of those who died as a result of military service.

With this fact in mind, this Congress has passed several bills of benefit to veterans. Among them are the following:

Public Law 88-22 provides additional compensation for veterans who are suffering from a complete loss of speech as a result of military service.

Public Law 88-20 provides additional compensation for veterans having a service-incurred disability of deafness of both ears.

Public Law 88-21 provides a 10-percent increase in the monthly payments to children and parents of veterans who died from service-connected causes.

Public Law 88-134, which complements the above, increases from \$112 to \$120 the basic monthly rate of dependency and indemnity compensation payable to widows of veterans who have died from service-connected causes.

Public Law 88-3 amends section 904, title 38, of the United States Code, so that burial allowances may be paid in cases where discharges were changed by competent authority from dishonorable to other than dishonorable after the death of the veteran.

NATIONAL DEFENSE

In his state of the Union message, delivered before a joint session of Con-

gress on January 14, 1963, President Kennedy stated:

This country * * * continues to require the best defense in the world—a defense which is suited to the sixties.

The House of Representatives, in cooperation with its coordinate body, has succeeded in meeting this challenge.

Public Law 88-149 appropriated \$47,220,010,000 to the Department of Defense for the fiscal year 1964. This bill did not include funds for military assistance abroad, military construction, civil defense, Army Engineers flood control work, or the military pay boost. Included in this figure are \$12,850,700,000 for military personnel, both active, and reserve, \$11,714,033,000 for the operation and maintenance of our forces, \$15,706,047,000 for procurement, and \$6,949,230,000 for research and development.

The following provisions were also included in this appropriations bill: First, it provides that the Army National Guard be programmed to attain a strength of 400,000 by the end of the fiscal year 1964 and that the Army Reserve be programmed to attain a strength of 300,000.

Second, it provides funds for 969,900 Reserve personnel on paid drill status by the end of the fiscal year 1964. This included a National Guard force of 384,400 and Army Reserve force of 281,000.

Third, it requires the Department of Defense to report quarterly to the Appropriations Committees any disbursements made under the \$15 million contingency fund. This fund was provided for "emergencies and extraordinary expenses" in connection with "confidential military purposes."

Fourth, it authorizes expenditures for military personnel greater than the appropriated amounts if the President determines that increases are necessary.

Fifth, it continues the President's authority to spend any amount required to institute an airborne alert.

Sixth, it provides that at least 35 percent of the funds made available for repair, alteration, and conversion of naval vessels be allocated for work in private shipyards. However, the Secretary of Defense was given authority to have such work done in Navy shipyards if it is consistent with the public interest.

Seventh, it earmarks \$125 million of the Air Force research and development funds for a mach 3 manned aircraft program.

Eighth, it authorizes the Secretary of Defense to transfer up to \$150 million from other funds appropriated for the fiscal year 1964 to the emergency fund, provided that no transfer would exceed 7 percent of the appropriation from which it was taken. He is also authorized to transfer an additional \$200 million if he deems it necessary to improve readiness and so notifies the Appropriations Committees.

Ninth, it sets a limit of 20 percent of the direct costs on indirect costs associated with Defense Department research grants.

In addition, the supplementary appropriations bill for 1963 allocated \$220,162,000 to the Department of Defense.

MILITARY CONSTRUCTION

In addition to the general Department of Defense appropriation, the military construction appropriation bill appropriated \$1,585,880,000 for the fiscal year 1964 for construction at military bases in the United States and abroad and for the construction and maintenance of military family housing. Of the total, \$948,474,000 was for construction. The balance, \$637,406,000, was appropriated for the general support of the family housing program.

DRAFT EXTENSION

In his budget for the fiscal year ending June 30, 1964, President Kennedy requested a 4-year extension of the Universal Military Training and Service Act which was due to expire on January 30. Public Law 88-2 is the response of this Congress to that recognized need. In testimony before the Armed Services Committee of this body, Lt. Gen. Lewis B. Hershey, Director of the Selective Service, said:

The evaluation of the determination of this Nation by our friends, by neutrals, by our possible enemies, and even by ourselves, depends * * * on how well we seem prepared to mobilize our manpower.

Realizing that the maintenance of draft levels commensurate with the requirements of the Nation's national defense requires the continuation of the draft law, we have extended until July 1, 1967, the induction authority provided by the Universal Military Training and Service Act of 1951, the Dependents Assistance Act providing increased quarters allowances for enlistees with dependents, and the law providing special authority to induct medical, dental, veterinary, and allied specialists and to grant special pay to these inductees.

The personnel ceilings established for the Armed Forces after World War II have been suspended since 1950. This law continued that suspension until July 1, 1967.

ARMED SERVICES: UNIFORM RESERVE PROGRAM

During the 87th Congress, a subcommittee of the Armed Services Committee of this body, in studying the efficacy of the Reserve program, found that many of the reservists called up during the Berlin conflict of 1961 were inadequately prepared. As a result, 2- and 3-year active-duty enlistees had to be recalled to duty to make up for the lack of training on the part of the reservists. In an effort to eliminate such deficiencies as well as the confusion among reservists as to the exact nature of their reserve obligation, we have enacted Public Law 88-110.

This law amends the Universal Military Training and Service Act by repealing existing Reserve programs and establishing a uniform permanent Reserve program for eligible individuals between 17 and 26 years of age. The duration of the active duty obligation will be determined by the length of time required for the reservist to qualify for the special skill for which he enlisted. This measure will provide additional flexibility, uniformity, and equity within the reserve programs.

MILITARY PAY RAISE

On October 2, President Kennedy, with a good deal of pleasure, signed into law a measure which originated in this body, a bill authorizing military pay increases of an estimated \$1,243,084,000 a year; \$1,213 million of that amount was for the military forces of the Defense Department, and the remainder was for the Coast Guard, Coast and Geodetic Survey, and Public Health Service. A request for a military pay raise was included in the budget message of the President transmitted to the Congress on January 17 of this year. In that message it was noted that the last general military pay raise occurred in 1958. Since that time wage increases in private industry have provided strong inducement for highly trained military personnel to leave the service for higher paying jobs in civilian life.

The majority report of our Armed Services Committee pointed out that military pay has risen only 16.2 percent since 1952 whereas the salaries of professional and technical workers have risen 49 percent in the same period, the salaries of production workers 44.8 percent, and of civil service employees 34.3 percent. The increased combat efficiency resulting from less turnover in the services is essential to our national security. In addition, the high costs of training new personnel will be decreased.

Approximately \$1,057,729,000 was authorized for active duty personnel in the Department of Defense; \$951,044,000 is for basic pay increases averaging nearly 17 percent in every grade except for personnel with less than 2 years of service. The largest increase was in the basic pay of officers and enlisted men in the middle grades.

There was authorized \$42,502,000 for family separation allowances and approximately \$77,520,000 a year for terminal leave payments, social security, severance pay, Reserve readjustment pay, death gratuities, and reenlistment bonuses.

Approximately \$11,663,000 was authorized for submarine pay, high-pressure chamber duty, double incentive payments for hazardous duty, hostile duty pay, medical and dental incentive pay, and contract surgeon's pay.

This bill also provides an entirely new way of computing retirement pay in the future and thus, as the Washington Post said, "remedied an old injustice." In the future a method based upon increases in the cost of living will be used. This system, currently provided for civil service retirees, provides that whenever the Consumer Price Index rises 3 percent over the preceding year, retirement pay will rise correspondingly.

The provisions for retired personnel in the Department of Defense totaled \$82,372,000. Of this, \$40,984,000 is for a flat 5 percent increase for all personnel retired between June 1, 1958, and April 1, 1963. Approximately \$27,517,000 is intended to allow persons who retired prior to 1958 to recompute their retirement pay on the basis of the pay rates in effect between 1958 and 1963. Persons in this category can, instead, receive a straight 5 percent cost of living increase; \$4,400,-

000 is for retirement benefits for personnel retiring between April 1 and October 1—the effective date of the law—and \$9,471,000 for personnel retiring during the balance of the fiscal year 1964.

This law also had the effect of increasing the pension paid to widows of military personnel who die either on active duty or of service-connected causes after leaving the service.

Approximately \$73,229,000 is authorized for retirement pay for reserve personnel in the Department of Defense.

CIVIL DEFENSE

The Department of Defense has estimated that between 25 and 65 million lives would be saved by providing reasonable protection against fallout radiation. The majority of the Members of this House have come to believe that civil defense is an integral part of the Nation's military defense. Although nuclear war is unlikely, it is a possibility over the next several decades and its consequences are too grave to be discounted.

Accordingly, in September of this year, we passed a bill authorizing \$190.6 million in the fiscal year 1964 to begin new phases of the civil defense program. This bill would authorize \$175 million in outright grants for the construction of fallout shelters in public and non-profit institutions. It would also require fallout shelters in all Federal buildings and authorizes \$15.6 million for that purpose.

Hearings on this program are underway in the other body.

In addition, the Supplemental Appropriations Act, adopted for fiscal year 1963 in May of this year appropriated \$15 million for surveying, stocking, and marking civil defense shelters.

The independent offices appropriations bill, passed in December, also contained appropriations for the civil defense program. It provided \$70,319,000 to continue the established civil defense program and \$41,250,000 for research, the shelter survey, and the marking of civil defense shelters.

It also made an appropriation of \$27,500,000 to the Department of Health, Education, and Welfare to enable it to procure additional emergency civil defense hospitals, to maintain the 2,680 hospitals acquired in prior years, and to continue the emergency health training and preparedness activities of the Department.

NATIONAL STOCKPILE

The national stockpile is composed of goods acquired to meet estimated needs in time of war. The Kennedy administration was consistent throughout in demanding that the stockpile not exceed national emergency requirements. The excessive storage of any material is an unnecessary burden on public funds and a possible source of questionable profits to contractors.

In line with this, the 1st session of the 88th Congress has passed two laws designed to hold down the supply of stockpiled materials.

Because the supply of cadmium, a metal used chiefly in electroplating, chemicals, and alloys, is in excess of our national stockpile objectives and because there is a severe scarcity of cadmium on

the domestic market, a scarcity adversely affecting industry, we authorized the sale of 2 million pounds of cadmium of domestic interests. This bill waived the 6-month waiting period ordinarily required by the Strategic and Critical Materials Stockpile Act.

Similarly, Public Law 88-154 authorized the disposal of the surplus waterfowl feathers and down now held in the national stockpile. Again, the normal 6-month waiting period was waived.

ATOMIC ENERGY

On July 22 President Kennedy signed into law (Public Law 88-72) a bill authorizing appropriations of \$216,271,000 for Atomic Energy Commission construction projects for the fiscal year 1964. Such appropriations are necessary if the program of the development, use, and control of atomic energy for the maximum contribution to the general welfare and to the common defense and security is to be continued.

Included in the total authorization are \$172,562,000 for 46 new projects, \$7,500,000 added to a previous appropriation of \$15 million for cooperation with the European Atomic Energy Community in the development of peaceful uses of atomic energy, \$709,000 added to a previous authorization of \$3,600,000 for research and development of the last breeder reactor concept, \$30 million for the development, design, construction, and operation of a spectral shift nuclear powerplant, and \$5,500,000 for a cooperative program with West Germany under which the United States would supply a particle fuel element for testing in Germany.

This law also contains a provision requiring authorization by the Joint Atomic Energy Committee of all Atomic Energy Commission appropriations after January 1, 1964. Currently all authorizations except those for construction are made under the Atomic Energy Act of 1954. It is intended that this provision will give Congress authority to exercise a greater degree of legislative control over the atomic energy program.

A supplemental Atomic Energy Commission authorization bill was passed in November. This measure authorized an additional \$17,945,000 for the construction of 12 additional new facilities for the nuclear weapons development program. These facilities were intended for use in implementing three of the four safeguards which President Kennedy pledged to adopt if the Senate consented to the ratification of the partial nuclear test ban treaty. These four safeguards were the continuation of comprehensive underground nuclear test programs, the maintenance of nuclear laboratory facilities to attract and retain scientists, the improvement of detection equipment, and the maintenance of the facilities needed for the rapid resumption of atmospheric testing.

This bill did not include an authorization for the improvement of detection equipment, the third safeguard. This is primarily the responsibility of the Department of Defense. However, the 12 construction projects authorized will implement the other three safeguards.

This bill brought the total authorization for the fiscal year 1964 for new construction projects to \$190,507,000.

Appropriations for the operation of the Atomic Energy Commission for the fiscal year 1964 were made in the Public Works Appropriations Act passed in December. That act made appropriations of \$2,342,669,000 for operating expenses and \$400 million for plant and capital equipment for the Agency.

ARMS CONTROL AND DISARMAMENT AGENCY

The Arms Control and Disarmament Agency was established in 1961. It is responsible for the conduct, support, and coordination of research for arms control and disarmament policy formulation, the preparation for and management of U.S. participation in international negotiations in the arms control and disarmament field, the dissemination, and coordination of public information concerning arms control and disarmament, and the preparation for, operation of, or direction of U.S. participation in such international control systems as may, under treaty arrangements, become part of U.S. arms control and disarmament activities. Its original appropriation was \$10 million.

In November the Congress authorized appropriations of \$20 million through the fiscal year 1965 for the Arms Control and Disarmament Agency. Such appropriations were recognized as essential to the continued success of that agency. That it has been successful may be attested by two outstanding achievements in the past year—the partial nuclear test ban treaty and the emergency "hot line" link between Washington and Moscow. Long and careful research by the Agency preceded both of these achievements.

In December an appropriation of \$7,500,000 was made for the fiscal year 1964.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

In 1958 Congress established the National Aeronautics and Space Administration. In carrying out the policy of Congress that activities in space should be devoted to peaceful purposes for the benefit of all mankind, that agency was empowered to conduct research for the solution of problems of flight within and outside the earth's atmosphere and develop, construct, test, and operate aeronautical and space vehicles for that purpose; to conduct activities that may be required for the exploration of space with manned and unmanned vehicles; to arrange for the most effective utilization of the scientific and engineering resources of the United States and for cooperation by the United States with other nations in pursuit of peaceful purposes in aeronautical and space activities; and to provide for the widest practicable and appropriate dissemination of information concerning NASA's activities and the results thereof.

To enable that Agency to carry out the tasks which face it in this area of vast potential for the good of all mankind, Congress this year appropriated \$5 billion for the fiscal year 1964. As sent to the President, this bill appropriated funds as follows: \$3,926 million for research and development, \$680 million for

the construction of facilities, and \$494 million for administrative operations.

INTERNATIONAL ECONOMIC RELATIONS: THE WORLD BANK

The International Bank for Reconstruction and Finance—the World Bank—came into existence on December 27, 1945, when the Articles of Agreement, formulated at the United Nations Monetary and Financial Conference at Bretton Woods, N.H., were signed in Washington by representatives of 28 governments. There are now 101 members and the organization has successfully carried out its purpose of assisting in the reconstruction and development of its member countries. As of March 31, 1963, it had made 338 loans amounting to the equivalent of \$6,758 million to 61 countries and overseas territories.

In November this Congress enacted legislation authorizing the U.S. Governor of that organization to vote for a \$1 billion increase in the Bank's authorized capital stock. No U.S. funds were involved; the bill was necessary only because the Articles of Agreement establishing the Bank required congressional approval for any capital stock increase. Approval was given in order to allow for the admission of new members and to permit special increases in the capital subscriptions of existing members. The rapid increase in membership had left only \$210 million of the Bank's total \$21 billion capital stock authorization available for subscription by members.

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington was established in 1934 to aid in the financing and facilitation of exports and imports and the exchange of commodities between the United States or any of its territories or insular possessions and any foreign country or the agencies or nationals thereof. It makes long-term loans to help finance the purchase of U.S. exports and also provides guarantees and insurance for the protection of U.S. exporters against political and credit risks.

In his budget message transmitted to Congress on January 17, President Kennedy rightly referred to the Bank's "significant contribution to the expansion of our foreign trade." Aware of this contribution and responding to the requests of the President, this Congress has, by Public Law 88-101, extended the life of the Bank for 5 years. We have also raised the total amount of loans, guarantees, and insurance that the Bank may have outstanding at any one time by \$2 billion and increased by \$1 billion the total amount of export credit insurance and guarantees that may be outstanding at one time.

FOREIGN AFFAIRS

The Department of State is the chief adviser to the President in the field of foreign policy and has the primary responsibility for initiating and implementing the foreign policy of the United States. We have appropriated \$322,696,000 for that Department for the fiscal year 1964.

This is in addition to the \$7,870,300 appropriated in the supplemental appropriation bill.

A properly conceived and administered foreign aid program is of great value to the national interest of the United States. As was pointed out in the report of the Committee To Strengthen the Security of the Free World, a 10-member committee appointed by President Kennedy in 1962:

We live in a world in which poverty, sickness, instability, and turmoil are rife and where a relentless Communist imperialism manipulates this misery to subvert men and nations from freedom's cause. A foreign aid program is one instrument among many which we and other developed countries adequately can afford and vigorously must use in the defense and advancement of free world interests.

To carry out this program, we have appropriated \$3,298,705,607 for the fiscal year 1964.

FOREIGN SERVICE BUILDING ACT

Public Law 88-94, signed by President Kennedy on August 12, authorized a 2-year, \$50 million appropriation for the Department of State in connection with the operation of its 286 overseas diplomatic posts. The authorization covered appropriations for the acquisition, construction, alteration, and leasing of buildings overseas. The bill specifies that the financing is to be made from U.S. owned foreign currencies. This is an important provision. If these funds are used rather than making a further demand upon our gold reserves, a favorable effect upon our balance of payments can be anticipated.

This is a good and reasonable house-keeping bill. Like any wise householder, the Government of the United States must provide for the maintenance and upkeep of its facilities.

PHILIPPINE WAR CLAIMS

The Foreign Service Buildings Act contains provisions relevant to Philippine war claims. These provisions, much debated in both Houses of Congress, are the result of a compromise worked out between the two bodies.

The Philippine War Claims Act of 1962, Public Law 87-616, authorized the payment of \$73 million to Philippine corporations and citizens as the unpaid balance of World War II damage claims filed under the Philippine Rehabilitation Act of 1946. The amendment to the 1962 act, adopted this year, is an equitable compromise by which the United States shall fulfill its obligations to the people of the Philippines while placing restrictions on lobby and claim collecting practices.

This amendment provides:

First, that no payment in excess of \$25,000 be made to any individual claimant under the act.

Second, that no former Commissioner or employee of the Philippine War Damage Commission or their assigns or associates is eligible to receive remuneration in connection with any claim coming under the act.

Third, that anyone within the jurisdiction of the United States who pays remuneration in violation of the act is subject to a fine of \$5,000 and/or imprisonment for 1 year and anyone who receives remuneration is subject to a fine

of \$5,000 and/or imprisonment for 5 years.

Fourth, that the Foreign Claims Settlement Commission recover from anyone receiving remuneration in violation of the act an amount equal to three times the amount received in remuneration.

Fifth, that a claimant's acceptance of a payment will be considered full satisfaction and final settlement of his war damage claims.

Sixth, that a special fund be established in the U.S. Treasury. This fund will consist of the difference between the amount paid in approved claims and the amount that would have been paid if the \$25,000 limit had not been placed upon individual claims. This amount—estimated at between \$20 and \$30 million—will be used for educational exchange programs between the United States and the Philippines.

Seventh, that the difference between the approved claims—paid and placed in the educational fund—and the \$73 million appropriated in 1962 will revert to the general fund of the U.S. Treasury.

PEACE CORPS

In my report last year I referred to the Peace Corps as "a new, imaginative, and informal approach to the field of

foreign aid to the lesser developed nations." That Corps, established by President Kennedy in 1961, has been an undisputed success.

In 1962 we appropriated \$59 million for that agency. This year we have almost doubled its funds by authorizing \$102 million for the fiscal year 1964. This will allow it to increase from 6,600 to 11,300 the number of volunteers sent to underdeveloped countries to live and work with the people and to assist them to raise their standard of living. One of the sponsors of the bill, the gentleman from New Jersey, Mr. CORNELIUS GALLAGHER, described it as "the best investment we have ever made to demonstrate the real spirit of America's desire to help the people of other lands."

Mr. Speaker, I have taken the time to present a fairly complete picture of the accomplishments of the 1st session of the 88th Congress. I have not, of course, discussed all of the measures enacted during this session. But I did wish to document my earlier statement that we have devoted ourselves to the whole spectrum of needs of a diverse country and a diverse people.

There are those who will call this bill important and that bill petty. There are those who scoff at what they call

housekeeping bills. There are those who see the extension of an earlier measure as automatically minor and the enactment of a new one as automatically major. All of these are subjective judgments and none of them is entirely true. To a young man in the service the military pay raise is significant. It probably is not to a bachelor in his 68th year. But the extension of the housing for the elderly program is of interest to that gentleman. The appropriation for the operation of diplomatic posts abroad may not seem very dramatic to a housewife but the mental retardation bill will if she has a child so afflicted.

I could go on enumerating examples such as this. I trust I have said enough to make my point: This is a vast country with myriads of problems and the efficient governance of the Nation requires attention to all of them, the large and the small, the dramatic and the tedious, the momentary and the persisting.

A legislative record is made by well ordered, consistent action. This requires time, patience, an open mind, and a willingness to cooperate. The Members of this body have displayed these qualities in high degree. The result is a laudable beginning toward what I truly believe will be a historic Congress.