report on activities of the U.S. Travel Service, pursuant to the International Travel Act of 1961; to the Committee on Interstate and Foreign Commerce.

1458. A letter from the Acting Secretary of Commerce, transmitting the quarterly report of the Maritime Administration of this Department on the activities and transactions of the Administration from July 1, 1963, through September 30, 1963, pursuant to the Merchant Ship Sales Act of 1946; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 560. Resolution to provide for a new seal and press for the use of the House of Representatives; without amendment (Rept. No. 1057). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 576. Resolution to provide for the expenses of the investigation and study authorized by House Resolution 73; with amendment (Rept. No. 1058). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 588. Resolution providing funds for the Committee on Interstate and Foreign Commerce for the 2d session of the 88th Congress; without amendment (Rept. No. 1059). Ordered to be printed.

Mr. O'NEILL: Committee on Rules. House Resolution 595: Resolution for consideration of House Joint Resolution 871, a joint resolution providing for renaming the National Cultural Center as the John F. Kennedy Center for the Performing Arts, authorizing an appropriation therefor, and for other purposes; without amendment (Rept. No. 1060). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H.R. 7332. A bill granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes; with amendment (Rept. No. 1061). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. H.R. 8853. A bill to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs; without amendment (Rept. No. 1062). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 9515. A bill to amend the Tariff Act of 1930 to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas; to the Committee on Ways and Means.

By Mr. TAFT:

H.R. 9516. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADDABBO:

H.R. 9517. A bill for the relief of Margherita Di Matteo; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 9518. A bill for the relief of Mrs. Gertrude Gimnicher; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 9519. A bill for the relief of Young Soon Kim and Tai Ung Choi; to the Committee on the Judiciary.

PETITIONS, ETC.

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

540. By the SPEAKER: Petition of Ingrid E. Laws, secretary, Windham County Democratic Association, Canterbury, Conn., to declare November 22 as President Kennedy Memorial Day; to the Committee on the Judiciary.

541. Also, petition of Floyd G. Marcusson, president, Bellflower Democratic Club, Bellflower, Calif., to change the method of determining chairmen to a method which would assure chairmanships in the hands of those who support party policy and work for its speedy enactment into laws; to the Committee on Rules.

542. Also, petition of Floyd G. Marcusson, president, Bellflower Democratic Club, Bellflower, Calif., relative to going on record as approving the passage of a bill providing for adequate hospital and medical care; to the Committee on Ways and Means.

543. Also, petition of Henry Stoner, Avon Park, Fla., relative to printing certain material in the CONGRESSIONAL RECORD Appendix relating to the tax bill, H.R. 8363; to the Committee on House Administration.

544. Also, petition of Henry Stoner, Avon Park, Fla., requesting that the members on the Joint Committee on Printing try and improve the format of the CONGRESSIONAL RECORD; to the Committee on House Administration.

545. Also, petition of Henry Stoner, Avon Park, Fla., to require the American Printing House for the Blind, Louisville, Ky., to select one representative copy each week of the CONGRESSIONAL RECORD to be printed in braille, and then to be made available for distribution to all the English-reading blind anywhere in the world; to the Committee on House Administration.

546. Also, petition of Henry Stoner, Avon Park, Fla., to have the House Committee on Ways and Means publish a document showing the amounts of money received from each State "for the use of the Treasury of the United States" from various State taxes; to the Committee on Ways and Means.

SENATE

WEDNESDAY, DECEMBER 18, 1963

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

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

Our Father, God: In times of stillness, such as this hallowed moment, as we pause in the midst of rushing cares, we hear—like bells at evening pealing—the call of the better angels of our nature: we come seeking wide horizons around our noisy lives. 'Midst all the busy shuttles of legislation, as here is woven the fabric of law and order, shielding the life of our democracy and of free peoples everywhere, may we not be so enmeshed in the immediate mechanics of our solemn tasks as to lose sight of the total pattern shown in the mount of vision.

We are grateful that, once more, over an earth grown old with its burden of care, the voice of the Christ Child rings out, with its cheer that mankind are the children of God. May we realize with a new urgency that He does not stay in a manger, but that He walks in our world of pretense and greed and self-seeking, and that where He goes the judgment of God goes with Him. Bending low through the gate of the child heart, may we find the simplicity, the freedom, and the truth that sword and tongue and pen can never give. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, December 17, 1963, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of February 11, 1963,

Mr. HAYDEN, from the Committee on Appropriations, on December 17, 1963, reported favorably, with amendments, 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, and submitted a report (No. 785) thereon, which was printed.

MESSAGE FROM THE HOUSE

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

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 Steinhardt Sherlock;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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. 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. 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.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 1289) for the relief of Maria Merghetti (Mother Benedetta) and Annunziata Colombo (Mother Cherubina).

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House.

H.R. 2985. An to amend section 1391 of title 28 of the United States Code, relating to venue generally; and

H.R. 4062. An act to amend the act authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande to authorize the Secretary of the Interior to also market power generated at Amistad Dam on the Rio Grande.

The message also announced that the House had agreed 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. 8667) authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins, and that the House insisted upon its disagreement to the amendment of the Senate numbered 26 to the bill.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unanimous-consent agreement of yesterday, covering House bill 2664, to amend section 6(o) of the Universal Military Training and Service Act, to provide a certain exemption, be temporarily laid aside.

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

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 766, House bill 9499, and that it be made the pending business.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. Without objection, it is so ordered.

The Senate proceeded to consider 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, which had been reported from the Committee on Appropriations, with amendments, on page 2, line 3, after "section 212", to strike out "$150,000,000" and insert "$175,000,000".

On page 2, line 6, after the word "hospitals", to insert "and schools", and in line 8, after "section 214(c)", to strike out "for hospital construction,".

On page 2, line 13, after "section 302", to strike out "$100,000,000" and insert "$130,903,000".

On page 2, line 15, after "section 402", to strike out "$300,000,000" and insert "$380,000,000".

On page 2, line 17, after "section 451 (a)", to strike out "$50,000,000" and insert "$32,900,000".

On page 2, line 19, after the word "the", to strike out "Act of September 8, 1960" and insert "Latin American Development Act", and in line 21, after the word "amended", to strike out "$100,000,000" and insert "$180,000,000".

On page 2, line 24, after "section 252", to strike out "$350,000,000" and insert "$425,000,000".

On page 3, line 2, after "section 252", to strike out "$80,000,000" and insert "$100,000,000".

On page 3, line 4, after "section 202(a)", to strike out "$600,000,000" and insert "$800,000,000".

On page 3, line 9, after "section 637 (a)", to strike out "$50,000,000" and insert "$54,000,000".

On page 3, line 20, after the word "appropriated", to insert "and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance", are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs."

On page 11, after line 9, to insert a new section, as follows:

SEC. 118. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for the financing, in whole or in part, of any project in any foreign country where persons other than nationals of such country or citizens of the United States will be employed to perform any work in connection with such project, except when such nationals or citizens of the United States are not available and qualified to perform such work.

On page 12, at the beginning of line 1, to strike out "$89,000,000" and insert "$98,100,000", and in line 3, after the word "exceed", to strike out "$19,500,000" and insert "$20,300,000".

On page 12, line 21, after the word "exceed", to strike out "$2,000,000" and insert "$2,300,000".

On page 14, line 8, after "(5 U.S.C. 55a)", to strike out "$56,000,000" and insert "$39,717,137".

On page 15, line 11, after the word "expended", to insert a colon and "*Provided*, That this paragraph shall be effective only upon enactment into law of authorizing legislation".

On page 17, after line 8, to strike out:

None of the funds provided herein 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) 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.

On page 17, after line 17, to insert:

SENATE

On page 17, after line 18, to insert:

For payment to Nancy P. Kefauver, widow of Estes Kefauver, late a Senator from the State of Tennessee, $22,500.

On page 17, after line 21, to insert:

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous Items

For an additional amount for "Miscellaneous items", fiscal year 1963, $190,000.

At the top of page 18, to insert:

Miscellaneous Items

For an additional amount for "Miscellaneous items", $215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

On page 18, after line 11, to insert:

Postage Stamps

For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, $6,060: *Provided*, That the maximum allowance per capita of $550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to $610 for the fiscal year 1964 and thereafter.

On page 18, after line 18, to insert:

Stationery (Revolving Fund)

For an additional amount for stationery, $60,600: *Provided*, That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of $2,400 per annum.

On page 20, after line 15, to insert:

TITLE V—INDEPENDENT OFFICES

HISTORICAL AND MEMORIAL COMMISSIONS

NEW JERSEY TERCENTENARY CELEBRATION COMMISSION

For expenses necessary to carry out the provisions of the Act of September 2, 1960 (74 Stat. 730), including transportation and

entertainment of participants, $150,000, to remain available until expended.

On page 21, in the heading in line 1, after the word "Title", to strike out "V" and insert "VI".

On page 22, line 8, to change the title number from "VI" to "VII".

On page 22, line 9, to change the section number from "601" to "701".

On page 22, line 13, to change the section number from "602" to "702".

On page 23, line 11, to change the section number from "603" to "703".

On page 23, line 21, to change the section number from "604" to "704".

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a brief morning hour, with statements limited to 3 minutes.

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

APPOINTMENTS BY THE ACTING PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. In accordance with the provisions of Public Law 86-42, 86th Congress, the Chair announces the appointment of the following Senators to serve as members of the U.S. delegation to the Canadian-American Interparliamentary Conference to be held in the United States on January 14-18, 1964:

Senator AIKEN, chairman; Senators MANSFIELD, DODD, MORSE, HOLLAND, BARTLETT, HART, PASTORE, MUSKIE, MUNDT, YOUNG of North Dakota, and JORDAN of Idaho.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. DOC. NO. 48)

A letter from the President, National Forest Reservation Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Agriculture and Forestry, and ordered to be printed with an illustration.

REPORT ON U.S. TRAVEL SERVICE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the activities of the U.S. Travel Service, for the 6-month period ended September 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT ON ACTIVITIES UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the activities and transactions under the Merchant Ship Sales Act of 1946, for the 6-month period ended September 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT ON CONSTRUCTION OF NEW LOW-RENT HOUSING PROJECTS WITHOUT ADEQUATE CONSIDERATION OF AVAILABLE GOVERNMENT-OWNED HOUSING

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the construction of new low-rent housing projects without adequate consideration of available Government-owned housing, Public Housing Administration, Housing and Home Finance Agency, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON FINANCIAL POSITION, MISSOURI RIVER BASIN PROJECT

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the financial position, Missouri River Basin project, December 1963 (with accompanying papers); to the Committee on Interior and Insular Affairs.

RESOLUTION OF CITY COUNCIL OF CITY OF PHILADELPHIA

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the City Council of the City of Philadelphia, Pa., favoring the continued operation of the Philadelphia Naval Base, which was referred to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1017. A bill for the relief of Angelo Coppola (Rept. No. 799);

S. 1328. A bill for the relief of Woo Zee-Ching (Rept. No. 800);

S. 1445. A bill for the relief of Archie L. Dickson, Jr. (Rept. No. 801);

S. 2073. A bill for the relief of Roza Feuer (Rept. No. 802); and

H.R. 1560. An act for the relief of Constantinos A. Grigoras (Gregoras); (Rept. No. 803).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 439. A bill for the relief of Jose L. Rodriguez (Rept. No. 805).

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

S. 2071. A bill for the relief of Nina Maria Carmela Fiore (Rept. No. 806); and

H.R. 1887. An act for the relief of Yon Ok Kim, Chang In Wu, and Jung Yol Sohn (Rept. No. 807).

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

H.R. 6468. An act for the relief of Harold J. Burke (Rept. No. 786).

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

S.J. Res. 109. Joint resolution designating the period from January 12 to January 18, 1964, as International Printing Week (Rept. No. 787).

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

H.R. 4505. An act to confer jurisdiction on the Court of Claims to entertain, hear, and determine a motion for a new trial on the claim of Robert Alexander (Rept. No. 788).

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

H.R. 2772. An act for the relief of Mr. and Mrs. Harley Brewer (Rept. No. 789).

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

H.R. 1532. An act for the relief of Herbert R. Schaff (Rept. No. 790);

H.R. 2292. An act for the relief of Marvin M. Greenlee (Rept. No. 791);

H.R. 2364. An act for the relief of the Clay County Hospital, Brazil, Ind. (Rept. No. 792);

H.R. 4099. An act for the relief of Jesse Leigh Jr. (Rept. No. 793);

H.R. 4759. An act for the relief of W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou (Rept. No. 794);

H.R. 5746. An act for the relief of Robert H. Bagby (Rept. No. 795);

H.R. 6181. An act for the relief of Mr. Rudolph Sanderson, of Meriden, Kans. (Rept. No. 796);

H.R. 6807. An act for the relief of H. W. Robinson & Co., Inc. (Rept. No. 797); and

H.R. 7019. An act to provide further compensation to Mrs. Johnson Bradley for certain land and improvements in the village of Odanah, Wis., taken by the Federal Government (Rept. No. 798).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, with amendments:

S. 2125. A bill to revitalize the American gold mining industry (Rept. No. 804).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

S. Res. 236. Resolution to print additional copies of hearings on S. 815, to adjust legislative jurisdiction over certain Federal enclaves (Rept. No. 808).

By Mr. BARTLETT, from the Committee on Commerce, without amendment:

S. 469. A bill to admit the vessels *Fort Town*, *Maple City*, and *Windmill Point* to American registry and to permit their use in the coastwise trade (Rept. No. 811).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

H.R. 5377. An act to amend the Civil Service Retirement Act in order to correct an inequity in the application of such act to the Architect of the Capitol and the employees of the Architect of the Capitol and for other purposes (Rept. No. 812).

TO PRINT AS A SENATE DOCUMENT THE TRIBUTES BY MEMBERS OF CONGRESS TO THE LIFE, CHARACTER, AND PUBLIC SERVICE OF THE LATE PRESIDENT JOHN F. KENNEDY

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original concurrent resolution (S. Con. Res. 69), and submitted a report (No. 809) thereon; which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations as a Senate document all remarks by Members of the Senate and the House of Representatives in the Halls of Congress which constitute tributes to the life, character, and public service of the late President John F. Kennedy.

SEC. 2. There shall be printed and bound as directed by the Joint Committee on Printing, thirty-two thousand two hundred and fifty additional copies of such document, of which ten thousand three hundred copies shall be for the use of the Senate and twenty-one thousand nine hundred and fifty copies shall be for the use of the House of Representatives.

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICHIGAN—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 810)

Mr. BIBLE. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (S. 792) to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators KUCHEL, ALLOTT, JORDAN of Idaho, and DOMINICK, and the additional minority views of Senators SIMPSON, MECHEM, DOMINICK, and JORDAN of Idaho.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Nevada.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL STOCKPILE INVENTORIES

By 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 September 1963. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

The report and statement presented by Mr. BYRD of Virginia are as follows:

FEDERAL STOCKPILE INVENTORIES, SEPTEMBER 1963

INTRODUCTION

This is the 46th in a series of monthly reports on Federal stockpile inventories. It is for the month of September 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 September 1, 1963, totaled $14,465,338,281, and as of September 30, 1963, they totaled $14,537,174,286, a net increase of $71,836,005 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, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month
Strategic and critical materials:			
National stockpile [1]	$5,804,537,900	$5,791,239,900	−$13,298,000
Defense Production Act	1,493,255,200	1,491,620,400	−1,634,800
Supplemental—barter	1,345,059,356	1,347,267,417	+2,208,061
Total, strategic and critical materials [1]	8,642,852,456	8,630,127,717	−12,724,739
Agricultural commodities:			
Price support inventory	5,367,471,967	5,472,127,710	+104,655,743
Inventory transferred from national stockpile [1]	126,369,680	126,232,170	−137,510
Total, agricultural commodities [1]	5,493,841,647	5,598,359,880	+104,518,233
Civil defense supplies and equipment:			
Civil defense stockpile, Department of Defense	35,430,457	11,818,287	−23,612,170
Civil defense medical stockpile, Department of Health, Education, and Welfare	190,348,652	191,466,181	+1,117,529
Total, civil defense supplies and equipment	225,779,109	203,284,468	−22,494,641
Machine tools:			
Defense Production Act	2,208,600	2,208,600	
National Industrial Reserve Act	89,665,700	89,797,300	+131,600
Total, machine tools	91,874,300	92,005,900	+131,600
Helium	10,990,769	13,396,321	+2,405,552
Total, all inventories	14,465,338,281	14,537,174,286	+71,836,005

[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, beginning on page 23, 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), September 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, September 1963 (showing by commodity net changes during the month in terms of cost value and quantity).

Table 3.—Civil defense supplies and equipment inventories, September 1963 (showing by item net changes during the month in terms of cost value and quantity).

Table 4.—Machine tools inventories, September 1963 (showing by item net changes during the month in terms of cost value and quantity).

Table 5.—Helium inventories, September 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, beginning on page 25, contains excerpts from the Office of Emergency Planning statement setting forth the new policy with respect to objectives for strategic and critical materials.

STORAGE COSTS—FISCAL YEAR 1963

The cost of storing materials in Federal stockpile inventories under the Departments of Agriculture, Defense, Health, Education, and Welfare, and Interior and the General Services Administration, totaled $392,767,145 in fiscal year 1963.

These costs are set forth in table 6, page 19. The figures in this table should be read with close reference to the footnotes accompanying the table. This is necessary in order to understand the bases on which the information was submitted by the reporting agencies.

TABLE 1.—*Strategic and critical materials inventories (all grades), September 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			Quantity					
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 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	432,989,500	433,096,700	+$107,200	do	857,587	858,124	+537		
Total	920,670,100	920,777,300	+107,200	do	1,986,576	1,987,113	+537	[2] 450,000	1,537,113

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), September 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			Quantity					
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Aluminum oxide, abrasive grain:									
Supplemental—barter	$14,569,297	$14,827,844	+$258,547	Short dry ton	47,894	48,757	+863	[3]	48,757
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		do	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	12,575,753	12,635,191	+59,438	do	21,582	21,673	+91		
Total	33,063,753	33,123,191	+59,438	do	51,883	51,974	+91	70,000	[4]
Asbestos, amosite:									
National stockpile	2,637,600	2,637,600		do	11,705	11,705			
Supplemental—barter	6,789,574	6,847,459	+57,885	do	27,365	27,619	+254		
Total	9,427,174	9,485,059	+57,885	do	39,070	39,324	+254	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	7,278,290		do	27,438	27,437	−1		
Total	7,980,390	7,980,390		do	29,005	29,004	−1	[3]	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	89,398,758		do	5,780,590	5,780,590			
Total	121,491,758	121,491,758		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		do	4,962,706	4,962,706			
Supplemental—barter	45,294,200	45,294,200		do	2,927,260	2,926,260			
Total	123,846,700	123,846,700		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	22,788,000	22,739,500	−48,500	do	11,321	11,321			
Total	33,982,200	33,933,700	−48,500	do	37,094	37,094		23,100	13,994
Beryllium metal:									
Supplemental—barter	15,363,012	15,363,012		do	132	132		[3]	132
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	19,760,500	18,631,000	−1,129,500	Pound	10,065,810	9,490,475	−575,335		
Supplemental—barter	12,327,600	12,327,600		do	7,448,989	7,448,989			
Total	32,088,100	30,958,600	−1,129,500	do	17,514,799	16,939,464	−575,335	6,500,000	10,439,464
Castor oil:									
National stockpile	50,914,000	50,433,500	−480,600	do	194,194,997	192,119,777	−2,075,220	[2] 22,000,000	170,119,777
Celestite:									
National stockpile	1,412,300	1,412,300		Short dry ton	28,816	28,816			
Supplemental—barter	225,646	225,646			5,416	5,416			
Total	1,637,946	1,637,946			34,232	34,232		22,000	12,230
Chromite, chemical grade									
National stockpile	12,288,000	2,288,000		do	559,452	559,452			
Supplemental—barter	21,841,249	121,836,449	−4,800	do	699,654	699,647	−7		
Total	34,129,249	34,124,449	−4,800	do	1,259,106	1,259,099	−7	475,000	784,099
Chromite, metallurgical grade:									
National stockpile	264,565,500	264,565,500		do	3,759,292	3,795,292			
Defense Production Act	35,879,900	35,879,900		do	985,646	985,646			
Supplemental—barter	224,759,700	224,757,400	−2,300	do	1,543,113	1,543,100	−3		
Total	525,205,100	525,202,800	−2,300	do	6,324,051	6,324,048	−3	[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]

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), September 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			Quantity					
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Cobalt:									
National stockpile	$169,205,200	$169,205,200		Pound	76,711,860	76,664,297	−47,563		
Defense Production Act	52,074,600	5,075,300	$+700	do	25,194,122	25,194,122			
Supplemental—barter	2,169,000	2,169,000		do	1,077,018	1,077,018			
Total	223,448,800	223,449,500	+700	do	102,983,000	102,935,437	−47,563	19,000,000	83,935,437
Coconut oil:									
National stockpile	11,341,500	10,408,700	−932,800	do	74,839,083	68,679,523	−6,159,560	[3]	68,679,523
Colemanite:									
Supplemental—barter	2,636,400	2,636,400		Long dry ton	67,636	67,636		[3]	67,636
Columbium:									
National stockpile	23,919,200	23,919,200		Pound	7,505,853	7,507,959	+2,106		
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	16,117,414	16,119,520	+2,106	1,900,000	14,219,520
Copper:									
National stockpile	522,749,800	522,800,300	+50,500	Short ton	1,008,273	1,008,266	−7		
Defense Production Act	59,181,800	58,763,600	−418,200	do	105,463	104,765	−698		
Supplemental—barter	8,170,000	8,218,500	+48,500	do	12,381	12,382	+1		
Total	590,101,600	589,782,400	−319,200	do	1,126,117	1,125,413	−704	[2] 775,000	350,413
Cordage fibers, abaca:									
National stockpile	7,740,300	37,739,800	−500	Pound	149,736,028	149,732,545	−3,483	150,000,000	[4]
Cordage fibers, sisal:									
National stockpile	42,775,900	42,809,700	+33,800	do	316,123,573	316,366,880	+243,307	320,000,000	[4]
Corundum:									
National stockpile	393,100	393,100		Short ton	2,008	2,008		2,000	8
Cryolite:									
Defense Production Act	7,024,700	6,956,700	−68,000	do	25,439	25,193	−246	[3]	25,193
Diamond dies:									
National stockpile	489,100	496,800	+7,700	Piece	16,231	16,487	+256	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		[3]	64,178
Feathers and down:									
National stockpile	37,481,000	37,083,300	−397,700	Pound	9,047,078	8,951,101	−95,977	[2] 3,000,000	5,951,101
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		Short dry ton	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
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	7,056,200		do	34,233	34,233			
Supplemental—barter	230,343	230,343		do	1,907	1,907			
Total	7,286,543	7,286,543		do	36,140	36,140		17,200	18,940
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	4,082,000	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	2,525,800		Troy ounce	13,937	13,937		4,000	9,937

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), September 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			Quantity					
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Jewel bearings:									
National stockpile	$4,110,500	$4,129,600	+$19,100	Piece	51,387,563	51,626,565	+239,002	57,500,000	(4)
Kyanite-mullite:									
National stockpile	794,500	794,500		Short dry ton	9,190	9,190		4,800	4,390
Lead:									
National stockpile	319,298,100	319,298,100		Short ton	1,050,370	1,050,370			
Defense Production Act	1,668,100	1,221,600	−446,500	do	4,403	3,225	−1,178		
Supplemental—barter	78,398,600	78,398,600		do	327,998	327,998			
Total	399,364,800	398,918,300	−446,500	do	1,382,771	1,381,593	−1,178	[2] 0	1,381,593
Magnesium:									
National stockpile	130,253,600	129,803,800	−449,800	do	179,420	178,801	−619	107,000	71,801
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	7,917,200		do	117,607	117,607			
Total	10,050,500	10,050,500		do	146,914	146,914		30,000	116,914
Manganese, chemical grade, type B:									
National stockpile	132,600	132,600		do	1,822	1,822			
Supplemental—barter	6,665,700	6,665,700		do	99,016	99,016			
Total	6,798,300	6,798,300		do	100,838	100,838		53,000	47,838
Manganese, metallurgical grade:									
National stockpile	248,240,300	248,240,300		do	5,851,264	5,851,264			
Defense Production Act	176,474,400	176,474,400		do	3,056,691	3,056,691			
Supplemental—barter	238,019,670	239,729,058	+1,709,388	do	3,555,080	3,606,987	+51,907		
Total	662,734,370	664,443,758	+1,709,388	do	12,463,035	12,514,942	+51,907	6,800,000	5,714,942
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		[2] 200,000	(4)
Mica muscovite block:									
National stockpile	27,630,800	27,631,200	+400	Pound	11,621,031	11,609,000	−12,031		
Defense Production Act	40,856,900	40,746,400	−110,500	do	6,456,024	6,446,722	−9,302		
Supplemental—barter	5,266,011	5,287,250	+21,239	do	1,585,807	1,594,635	+8,828		
Total	73,753,711	73,664,850	−88,861	do	19,662,862	19,650,357	−12,505	8,300,000	11,350,357
Mica muscovite film:									
National stockpile	9,058,100	9,058,100		do	1,733,083	1,733,083			
Defense Production Act	633,300	633,300		do	102,681	102,681			
Supplemental—barter	1,033,612	1,053,033	+19,421	do	105,640	107,687	+2,047		
Total	10,725,012	10,744,433	+19,421	do	1,941,404	1,943,451	+2,047	1,300,000	643,451
Mica muscovite splittings:				Pound					
National stockpile	40,598,300	40,598,300		do	40,040,294	40,159,938	+119,644		
Supplemental—barter	6,225,800	6,225,800		do	4,826,257	4,826,257			
Total	46,824,100	46,824,100		do	44,866,551	44,986,195	+119,644	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	2,399,384	2,400,115	+731	do	1,985,474	1,986,907	+1,433		
Total	4,979,884	4,980,615	+731	do	5,064,536	5,065,970	+1,433	1,700,000	3,365,970
Molybdenum:									
National stockpile	84,196,800	83,679,000	−517,800	do	79,513,992	79,038,361	−475,631	59,000,000	20,038,361
Nickel: [3]									
National stockpile	181,978,100	181,974,500	−3,600	Short ton	167,137	167,131	−6		
Defense Production Act	102,053,500	101,536,400	−517,100	do	53,421	53,133	−288		
Total	284,031,600	283,510,900	−520,700	do	220,558	220,264	−294	[2] 50,000	170,264
Opium:									
National stockpile	13,661,700	13,661,700		Pound	195,757	195,757		[2] 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

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), September 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			Quantity					
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Palm oil:									
National stockpile	$4,409,400	$3,962,700	−$446,700	Pound	24,497,878	22,016,098	−2,481,780	(2)	22,016,098
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	415,100		Pound	67,065	67,065		66,000	1,065
Quartz crystals:									
National stockpile	69,060,700	68,587,800	−472,900	do	5,598,672	5,560,319	−38,353		
Supplemental—barter	3,200,900	3,200,900		do	232,352	232,352			
Total	72,261,600	71,788,700	−472,900	do	5,831,024	5,792,671	−38,353	650,000	5,142,671
Quinidine:									
National stockpile	1,942,800	1,912,800	−30,000	Ounce	1,684,377	1,658,377	−26,000	1,600,000	58,377
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	5,774,409	5,787,811	+13,402	do	6,264	6,355	+91		
Total	12,909,309	12,922,711	+13,402	do	16,306	16,397	+91	5,700	10,697
Rare earths residue:									
Defense Production Act	657,800	657,800		Pound	6,085,327	6,085,327		(2)	6,085,327
Rhodium:									
National stockpile	78,200	78,200		Troy ounce	618	618		(2)	618
Rubber:									
National stockpile	760,533,100	755,759,700	−4,773,400	Long ton	983,668	977,521	−6,147	750,000	227,521
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	(4)
Rutile chlorinator charge:									
Defense Production Act				do	2,923	1,877	−1,046	(2)	1,877
Sapphire and ruby:									
National stockpile	190,000	190,000		Carat	16,187,500	16,187,500		18,000,000	(4)
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	(4)
Shellac:									
National stockpile	8,589,000	8,535,700	−53,300	do	17,132,260	17,025,923	−106,337	7,400,000	9,625,923
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	1,441,200	1,401,000	−40,200	Pound	1,112,950	1,087,321	25,629	970,000	117,321
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		[3] 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	231,100		do	3,901	3,901		(2)	3,901
Tantalum:									
National stockpile	10,992,700	10,992,700		Pound	3,443,657	3,445,169	+1,512		
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	4,983,059	4,984,571	+1,512	2,420,000	2,564,571
Thorium:									
Defense Production Act	42,000	42,000		do	848,354	848,354			
Supplemental—barter	17,590,648	17,665,758	+75,110	do	8,481,100	8,521,525	+40,425		
Total	17,632,648	17,707,758	+75,110	do	9,329,454	9,369,879	+40,425	(4)	9,369,879

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), September 963 (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			Quantity					
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net charge during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net charge during month	Maximum objective [1]	Excess over maximum objective
Tin:									
National stockpile	814,755,400	811,089,300	−3,657,100	Long ton	335,081	333,536	−1,545		
Supplemental—barter	16,404,000	16,404,000		do	7,505	7,505			
Total	831,159,400	827,502,300	−3,657,100	do	342,586	341,041	−1,545	[2] 200,000	141,041
Titanium:									
Defense Production Act	176,361,200	176,178,800	−182,400	Short ton	22,403	22,381	−22		
Supplemental—barter	32,097,700	32,097,700		do	9,021	9,021			
Total	208,458,900	208,276,500	−182,400	do	31,424	31,402	−22	[3]	31,402
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	364,346,400	364,345,400	−1,000	Short ton	1,256,848	1,256,845	−3		
Supplemental—barter	79,588,400	79,588,400		do	323,896	323,896			
Total	443,934,800	443,933,800	−1,000	do	1,580,744	1,580,741	−3	[2] 0	1,580,741
Zirconium ore, baddeleyite:									
National stockpile	710,600	710,600		Short dry ton	16,533	16,533		[3]	16,533
Zirconium ore, zircon:									
National stockpile	181,800	159,200	−22,600	do	3,072	2,690	−382	[3]	2,690
Total:									
National stockpile	5,804,537,900	5,791,239,900	−13,298,000						
Defense Production Act	1,493,255,200	1,491,620,400	−1,634,800						
Supplemental—barter	1,345,059,56	1,347,267,417	+2,208,061						
Total, strategic and critical materials	8,642,852,456	8,630,127,717	−12,724,739						

[1] Maximum objectives for strategic and critical materials are determined pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h). The Office of Emergency Planning is currently in the process of revising stockpile objectives. (See app. B, p. 23761.)
[2] New objective. (See app. B, p. 23761.)
[3] No present objective.
[4] Not in excess of maximum objective.
[5] The Office of Emergency Planning has established a new maximum objective for nickel and has changed the stockpile unit of measure from pound to short ton. As a result, this report for September shows all quantity figures for nickel in terms of short ton for the first time. Previous committee reports have shown the quantity of nickel in terms of pounds; future reports of this series will show nickel in terms of short tons.

Source: Compiled from reports submitted by the General Services Administration and the Department of Agriculture.

TABLE 2.—*Agricultural commodities inventories, September 1963 (showing by commodity net changes during the month in terms of cost value and quantity)*

Commodity	Cost value			Quantity			
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month
Price-support inventory:							
Basic commodities:							
Corn	$771,731,750	$986,849,082	+$215,117,332	Bushel	627,434,170	802,646,840	+175,212,670
Cotton, extra-long staple	9,815,842	9,813,121	−2,721	Bale	37,075	37,073	−2
Cotton, upland	1,230,378,231	1,192,057,169	−38,321,062	do	7,453,137	7,216,630	−236,507
Peanuts, farmers' stock	6,119		−6,119	Pound	55,507		−55,507
Peanuts, shelled	11,492,722	10,447,249	−1,045,473	do	67,641,033	60,801,536	−6,839,497
Rice, milled	170,244	389,704	+219,460	Hundredweight	17,024	39,877	+22,853
Rice, rough	9,804,101	9,534,842	−269,259	do	1,840,269	1,789,772	−50,497
Wheat	2,132,036,542	2,098,338,617	−33,697,925	Bushel	1,064,042,832	1,046,971,226	−17,071,606
Wheat, rolled		1,792	+1,792	Pound		27,144	+27,144
Bulgur	213,372	216,075	+2,703	do	3,945,790	3,983,612	+37,822
Total, basic commodities	4,165,648,923	4,307,647,651	+141,998,728				
Designated nonbasic commodities:							
Barley	43,577,332	43,064,761	−512,571	Bushel	50,427,635	49,724,492	−703,143
Grain sorghum	681,970,484	675,136,619	−6,833,865	do	619,186,434	612,122,821	−7,063,613
Milk and butterfat:							
Butter	212,620,464	187,751,083	−24,869,381	Pound	365,695,138	323,043,857	−42,651,281
Butter oil	87,325,166	87,239,345	−85,821	do	110,572,609	110,729,453	+156,844
Cheese	23,568,300	24,661,343	+1,093,043	do	62,539,239	65,283,365	+2,744,126
Ghee	1,545,175	1,187,530	−357,645	do	1,914,331	1,471,240	−443,091
Milk, dried	106,515,273	106,354,165	−161,108	do	723,099,301	722,289,144	−810,157
Oats	11,597,158	11,516,120	−81,038	Bushel	19,333,144	19,192,160	−140,984
Rye	1,722,504	1,517,824	−204,680	do	1,664,075	1,475,730	−188,345
Total designated nonbasic commodities	1,170,441,856	1,138,428,790	−32,013,066				

TABLE 2.—*Agricultural commodities inventories, September 1963 (showing by commodity net changes during the month in terms of cost value and quantity)*—Continued

Commodity	Cost value			Quantity			
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month
Other nonbasic commodities:							
Beans, dry, edible	7,024,418	5,208,564	−1,815,854	Hundredweight	912,423	688,397	−224,026
Cottonseed oil, refined	622,250	828,060	+205,810	Pound	3,685,928	4,821,678	+1,135,750
Flaxseed	15,964,633	14,736,713	−1,227,920	Bushel	5,384,798	4,974,977	−409,821
Soybeans	5,859,143	3,847,853	−2,011,290	do	2,507,711	1,653,717	−853,994
Vegetable oil products	1,910,744	1,430,079	−480,665	Pound	11,854,299	8,926,685	−2,927,614
Total, other nonbasic commodities	31,381,188	26,051,269	−5,329,919				
Total, price support inventory	5,367,471,967	5,472,127,710	+104,655,743				
Inventory transferred from national stockpile: [1]							
Cotton, Egyptian	102,640,561	102,528,200	−112,361	Bale	121,494	121,361	−133
Cotton, American-Egyptian	23,729,119	23,703,970	−25,149	do	47,178	47,128	−50
Total, inventory transferred from national stockpile	126,369,680	126,232,170	−137,510	do	168,672	168,489	183
Total, agricultural commodities	5,493,841,647	5,598,359,880	+104,518,233				

[1] Transferred from General Services Administration pursuant to Public Law 85-96 and Public Law 87-548. (See app. A, p. 23761.)

Source: Compiled from reports submitted by the Department of Agriculture.

TABLE 3.—*Civil defense supplies and equipment inventories, September 1963 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month
Civil defense stockpile, Department of Defense:							
Engineering equipment (engine generators, pumps, chlorinators, purifiers, pipe, and fittings)	$10,022,623	$10,019,104	−$3,519	10-mile units	45	45	
Chemical and biological equipment	1,806,793	1,799,183	−7,610	[2]			
Radiological equipment [3]	23,601,041	[2]	−23,601,041	[2]			
Total	35,430,457	11,818,287	−23,612,170				
Civil defense medical stockpile, Department of Health, Education, and Welfare:							
Medical bulk stocks and associated items at civil defense mobilization warehouses	136,925,874	137,835,586	+909,712	[2]			
Medical bulk stock at manufacturer locations	5,330,284	5,326,895	−3,389	[2]			
Civil defense emergency hospitals	37,330,782	37,255,680	−75,102	Each	1,930	1,930	
Replenishment units (functional assemblies other than hospitals)	486,864	469,716	−17,148	[1]			
Supply additions (for civil defense emergency hospitals)	10,274,848	10,578,304	+303,456	[1]			
Total	190,348,652	191,466,181	+1,117,529				
Total, civil defense supplies and equipment	225,779,109	203,284,468	−22,494,641				

[1] Composite group of many different items.
[2] No longer reported as stockpile item. (See appendix C, p. 23762.)

Source: Compiled from reports submitted by the Department of Defense and the Department of Health, Education and Welfare.

TABLE 4.—*Machine tools inventories, September 1963 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 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	79,487,200	79,645,200	+$158,000	do	7,172	7,238	+66
On lease	27,500	27,500		do	1	1	
On loan to other agencies	2,176,600	2,150,200	−26,400	do	225	225	
On loan to school programs	7,974,400	7,974,400		do	1,917	1,917	
Total	89,665,700	89,797,300	+131,600	do	9,315	9,381	+66
Total, machine tools	91,874,300	92,005,900	+131,600	do	9,432	9,498	+66

Source: Compiled from reports submitted by the General Services Administration.

TABLE 5.—*Helium inventories, September 1963 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month	Unit of measure	Beginning of month, Sept. 1, 1963	End of month, Sept. 30, 1963	Net change during month
Helium:							
Stored above ground	$231,806	$318,139	+$86,333	Cubic foot	21,000,000	28,000,000	+7,000,000
Stored underground	10,758,963	13,078,182	+2,319,219	do	1,188,300,000	1,399,000,000	+210,700,000
Total helium	10,990,769	13,396,321	+2,405,552	do	1,209,300,000	1,427,000,000	+217,700,000

Source: Compiled from reports submitted by the Department of the Interior.

TABLE 6.—*Storage costs [1]—Federal stockpile inventories by commodity and program, fiscal year 1963*

Commodity	Strategic and critical materials inventories			Agricultural commodities	Other inventories	Total, all inventories
	National stockpile	Defense Production Act	Supplemental—barter			
Strategic and critical materials;						
Aluminum, metal	$195,486	$110,331				$305,817
Aluminum oxide, abrasive, grain			$417,461			417,461
Aluminum oxide, fused, crude	2,797		18,871			21,668
Antimony	16,852		51,306			68,158
Asbestos	63,942	5,551	354,644			424,137
Bauxite	155,110	1	488,964			644,075
Beryl	3,047	911	2,520			6,478
Beryllium copper master alloy			233			233
Beryllium metal			61,586			61,586
Bismuth	804	11	4,137			4,952
Cadmium	8,040		6,733			14,773
Castor oil	174,872					174,872
Celestite	6,237		11,470			17,707
Chromite	352,113	449	402,990			755,552
Cobalt	46,294	19,118	648			66,060
Coconut oil	105,896					105,896
Colemanite			7,367			7,367
Columbium	16,051	12,106	1,143			29,300
Copper	142,053	12,044	8,557			162,654
Cordage fibers	1,223,078					1,223,078
Corundum	2					2
Cotton	39,816					39,816
Cryolite		22,746				22,746
Feathers and down	73,530					73,530
Fluorspar	53,804	217	96,980			151,001
Graphite	119,680	4	20,383			140,067
Hyoscine	48					48
Iodine	5,253		−1,228			4,025
Kyanite-mullite	4,975					4,975
Lead	115,196	776	86,532			202,504
Magnesium	124,495					124,495
Manganese	200,927	68,503	502,115			771,545
Mercury	7,059		872			7,931
Mica	83,715	9,316	42,073			135,104
Molybdenum	75,735					75,735
Nickel	82,420	21,385				103,805
Opium	225					225
Palm oil	21,834					21,834
Pyrethrum	199					199
Quartz	8,231		2,390			10,621
Quinidine	1,474					1,474
Quinine	4,189					4,189
Rare earths [2]	19,179	2,605	81,469			103,253
Rubber	3,452,066					3,452,066
Rutile	5,436	40,191	13,756			59,383
Selenium	173		280			453
Shellac	39,098					39,098
Silicon carbide, crude	32,183		83,757			115,940
Silk	11,788					11,788
Sperm oil	22,668					22,668
Talc	4,434					4,434
Tantalum	1,402	639	3			2,044
Tin	64,870	54	1,439			66,363
Titanium		38,278	15,287			53,565
Totaquine	911					911
Tungsten	119,739	69,655	6,100			195,494
Vanadium	34,577					34,577
Vegetable tannin extracts	628,212					628,212
Zinc	122,090		31,795			153,885
Zirconium ore	6,137					6,137
Miscellaneous:						
Precious metals and stones, etc	[3] 138,840		328			139,168
Other	[3] 256					256
Total, strategic and critical materials	8,239,538	434,891	2,822,961			11,497,390
Agricultural commodities:						
Price-support inventory:						
Basic commodities:						
Corn				$93,187,883		93,187,883
Cornmeal				391		391
Cotton, extra long staple				94,193		94,193
Cotton, upland				22,564,346		22,564,346
Peanuts, farmers' stock				1,084,912		1,084,912
Peanuts, shelled				353,549		353,549
Rice, milled				32,334		32,334
Rice, rough				201,666		201,666
Wheat				144,905,193		144,905,193
Wheat, rolled				9		9
Wheat flour				2,380		2,380

See footnotes at end of table.

TABLE 6.—*Storage costs* [1]*—Federal stockpile inventories by commodity and program, fiscal year 1963*—Continued

Commodity	Strategic and critical materials inventories			Agricultural commodities	Other inventories	Total, all inventories
	National stockpile	Defense Production Act	Supplemental—barter			
Agricultural commodities—Continued						
Price-support inventory—Continued						
Designated nonbasic commodities:						
Barley				$3,979,956		$3,979,956
Grain sorghum				85,299,411		85,299,411
Honey				9,265		9,265
Milk and butterfat:						
Butter				8,548,797		8,548,797
Butter oil				738,568		738,568
Cheese				1,576,755		1,576,755
Ghee				14,384		14,384
Milk, dried				4,270,150		4,270,150
Oats				1,548,919		1,548,919
Rye				180,998		180,998
Other nonbasic commodities:						
Beans, dry, edible				1,198,805		1,198,805
Cottonseed oil, refined				35,095		35,095
Flaxseed				131,576		131,576
Soybeans				3,798,200		3,798,200
Turpentine				34,282		34,282
Vegetable oil products				1,674,966		1,674,966
Total, price support inventory				375,467,533		375,467,533
Inventory transferred from national stockpile:						
Cotton, Egyptian				372,477		372,477
Cotton, American-Egyptian				123,492		123,492
Total, inventory transferred from national stockpile				495,969		495,969
Total, agricultural commodities				375,963,502		375,963,502
Civil defense supplies and equipment:						
Civil defense stockpile, Department of Defense					$993,261	993,261
Civil defense medical stockpile, Department of Health, Education, and Welfare					4,028,129	4,028,129
Total, civil defense supplies and equipment					5,021,390	5,021,390
Machine tools inventories:						
National Industrial Reserve Act					253,000	253,000
Helium inventories:						
Stored underground					31,863	31,863
Total	$8,239,538	$434,891	$2,822,961	375,963,502	5,306,253	392,767,145

[1] It should be noted that while the title of this table is general, reporting agencies submit the information on different bases:

(a) Agriculture Department figures are for "storage and handling" and the Department notes its tabulation as follows: "Storage charges are paid to commercial warehouses for the care and preservation of Government-owned commodities. Storage charges are also allocated to commodities that are stored in Government-owned or leased facilities, based on the actual costs of owning or operating the facilities. Handling charges are paid to commercial warehouses for receiving, loading out, weighing, inspecting, etc."

(b) General Services Administration figures are for "cost of storage," exclusive of handling costs involved in delivery, rotation, removal, etc., of materials. The Administration notes its tabulation as follows: "Includes: (1) cost of operation and maintenance of General Services Administration storage depots, (2) reimbursement to the Department of Defense for storage at military facilities, and (3) storage cost at commercial warehouses."

(c) Department of Defense figure is for "warehousing and management" and it is noted as follows:

"Covers warehousing and management of engineering, chemical, biological, and radiological defense equipment under control of the Office of Civil Defense, Department of Defense.

"Warehousing and management includes providing of warehouse space, transportation, salaries of warehouse management-operating personnel (manager, clerk, guards, laborers, and mechanics) incident to the maintenance and care of the supplies and quipment inventory. This cost includes the preparation of items into kit assembly for issue in the various OCD programs which include shelter stocking, radiological monitoring, training, and education. Cost accounting records are not maintained on a functional or project basis.

"Maintenance and management responsibility for these inventories is assigned to the Defense General Supply Center of the Defense Supply Agency. Many of the storage locations are still jointly utilized with the Department of Health, Education, and Welfare in connection with their civil defense mission of medical stockpiles."

(d) Department of Health, Education, and Welfare figure is for "storage and warehousing," and it is noted as follows: "costs of storage and warehousing of medical supplies and equipment in the civil defense stockpile include rentals of warehouse space, salaries of warehouse employees, warehouse maintenance and operating costs, repacking, assembly, inspection teams, preservation and surveillance of stock."

(e) Department of the Interior figure represents "storage costs," and is noted as follows: "Storage costs are capitalized and included in the reported value of helium in underground storage as of June 30, 1963. We have not included the cost of operating the pipeline that transports the helium to the underground storage reservoir."

[2] Includes storage costs for thorium.

[3] Cost of vault storage of diamonds, jewel bearings, iridium, palladium, platinum, ruthenium, sapphire, and ruby, etc., for the national stockpile and the supplemental stockpile. Breakdown by inventory not available.

[4] Cost of storage of diamonds by the Department of Agriculture price-support exchange inventory only.

[5] Storage costs of empty drums and flasks.

APPENDIX A

PROGRAM DECRIPTIONS 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 CFR, 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 trans-

ferred 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 purposes 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 result 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. 1691), 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 1 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, is 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."

APPENDIX C

RADIOLOGICAL EQUIPMENT

The radiological equipment item in the civil defense stockpile, Department of Defense (table 3, p. 16), will no longer be reported as a stockpile item pursuant to the following correspondence between the Department of Defense and the committee:

ASSISTANT SECRETARY OF DEFENSE
Washington, D.C., October 28, 1963.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, U.S. Senate.

DEAR MR. CHAIRMAN: * * *

The radiological equipment inventory is no longer considered a stockpile inventory containing commodities delivered to permanent storage locations. When the monthly reports to the committee were initiated in 1959, this equipment was stockpiled at such locations for emergency use. Changing policy, incident to the authority granted by the Congress in Public Law 85–606, has resulted in distributing these materials, after purchase and assembly, to other Federal agencies and to the States as quickly as they can be accepted for use in radiological monitoring stations and public shelters, and in training State and local personnel. This distribution is essentially on a grant basis, and title vests in the States as the radiological equipment is received by them.

As confirmed by my letter of transmittal dated April 4, 1962, other supplies procured for stocking shelters are excluded from the report by mutual agreement; i.e., water containers, food, and sanitation and medical kits. In view of the similar conditions now applicable to radiological equipment, as explained above, the elimination of radiological equipment from future reports is proposed. Your response to this proposal will be greatly appreciated.

Sincerely yours,

STEUART L. PITTMAN.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES,
November 12, 1963.

Hon. STEUART L. PITTMAN,
Assistant Secretary of Defense, Washington, D.C.

MY DEAR MR. PITTMAN: I have your letter of October 28, 1963, relative to stockpile inventories of civil defense items.

I understand the Federal Government is no longer acquiring radiological equipment under the current civil defense program for Federal stockpile purposes. Due to changing policy incident to Public Law 85–606, the Federal Government is now purchasing these items for redistribution to States and localities on a grant basis, and the title is transferred from the Federal Government to the recipient governmental units. The items purchased are not for Federal stockpile purposes at any point in the procedure and are to be held only temporarily pending assembly and transshipment.

On this basis, the committee is agreeable to the elimination of this item from its monthly reporting requirements and subsequent inclusion in its report on "Federal Stockpile Inventories."

Please continue reporting on the remaining items on the present basis under prior instruction.

With my very best wishes.

Faithfully yours,

HARRY F. BYRD,
Chairman.

ERRATA

The following changes in previous committee reports of this series are necessary due to a change in the stockpile unit of measure from pound to short ton for the new maximum objective established for nickel by the Office of Emergency Planning:

Reference	Change figures for quantity of nickel	
	From—	To—
July 1963, Committee Print 44, p. 10:		
Maximum objective	50,000	100,000,000
Excess over maximum objective	441,272,183	341,322,183
August 1963, Committee Print 45, p. 10:		
Maximum objective	50,000	100,000,000
Excess over maximum objective	441,066,779	341,116,779

STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost value of Federal stockpile inventories as of September 30, 1963, totaled $14,537,174,286. This was a net increase of $71,836,005 as compared with the September 1 total of $14,465,338,281. Net changes during the month are summarized by major category as follows:

Major category	Cost value, September 1963	
	Net change during month	Total, end of month
Strategic and critical materials	−$12,724,939	$8,630,127,717
Agricultural commodities	+104,518,233	5,598,359,880
Civil defense supplies and equipment	−22,494,641	203,284,468
Machine tools	+131,600	92,005,900
Helium	+2,405,552	11,396,321
Total	+71,836,005	14,537,174,286

These figures are from the September 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) 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 September 30, 1963.

Increases in cost value were reported in 13 of the materials stockpiled in all strategic and critical inventories, decreases were reported in 25, and 56 materials remained unchanged during September.

National stockpile

The cost value of materials in the national stockpile as of September 30, 1963, totaled $5,791,239,900. This was a net decrease during the month of $13,298,000. Larger decreases were $4,773,400 in rubber and $3,657,100 in tin.

Defense Production Act inventory

The cost value of materials in the Defense Production Act inventory as of September 30, 1963, totaled $1,491,620,400. This was a net decrease of $1,634,800. Larger decreases were in nickel, lead and copper.

Supplemental barter

The cost value of materials in the supplemental-barter stockpile as of September 30 totaled $1,347,267,417. This was a net increase of $2,208,061. The largest increase was in manganese.

OTHER STOCKPILE INVENTORIES

Among the other categories of stockpiled materials covered by the report, the largest is $5.6 billion in agricultural commodities. The major increase in agricultural commodities during September was in corn, partially offset by decreases in cotton, wheat, milk, and butterfat.

Inventories of civil defense supplies and equipment showed a net decrease primarily in radiological equipment which is no longer being reported as an item in the civil defense stockpile; the machine tools inventories showed a net increase; and the helium inventories showed an increase during September.

STORAGE COSTS—FISCAL YEAR 1963

Storage and related costs incident to stockpile inventories covered by the report totaled $392,767,145 in fiscal year 1963, according to reports submitted by agencies having jurisdiction over them. Inventory cost value figures in this report refer to the month of September 1963; these storage figures are on an annual basis and are carried as a special separate table.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Ninety-four postmaster nominations.

BILLS INTRODUCED

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

By Mr. BEALL (for himself and Mr. BREWSTER):

S. 2395. A bill to amend the National Capital Transportation Act of 1960; to the Committee on the District of Columbia.

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

By Mr. SYMINGTON (for himself, Mr. DIRKSEN, Mr. DODD, Mr. MUNDT, Mr. ROBERTSON, Mr. GRUENING, Mr. THURMOND, and Mr. BEALL):

S. 2396. A bill to revive the office of General of the Armies of the United States and to authorize the President to appoint General of the Army Douglas MacArthur to such office; to the Committee on Armed Services.

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

By Mr. HUMPHREY:

S. 2397. A bill to authorize a 3-year program of grants for construction of veterinary medical education facilities, and for other purposes; to the Committee on Labor and Public Welfare.

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

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

S. 2398. A bill relating to the carrying out of Federal projects in areas of substantial unemployment; to the Committee on Commerce.

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

By Mr. HRUSKA:

S. 2399. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the founding of the American Sokol Organization; to the Committee on Post Office and Civil Service.

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

By Mr. LONG of Louisiana (for himself and Mr. ELLENDER):

S. 2400. A bill conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of John T. Knight; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

S. 2401. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

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

CONCURRENT RESOLUTION

TO PRINT AS A SENATE DOCUMENT TRIBUTES BY MEMBERS OF CONGRESS RELATING TO THE LIFE, CHARACTER, AND PUBLIC SERVICE OF THE LATE PRESIDENT JOHN F. KENNEDY

Mr. JORDAN of North Carolina reported an original concurrent resolution (S. Con. Res. 69) authorizing the printing as a Senate document of the tributes by Members of Congress to the life, character, and public service of the late President John F. Kennedy, which was placed on the calendar.

(See the above concurrent resolution printed in full when reported by Mr. JORDAN of North Carolina, which appears under the heading "Reports of Committees.")

AMENDMENT OF NATIONAL CAPITAL TRANSPORTATION ACT OF 1960

Mr. BEALL. Mr. President, on behalf of my colleague, the junior Senator from Maryland [Mr. BREWSTER], and myself, I introduce, for appropriate reference, a bill to amend the National Capital Transportation Act of 1960.

The purpose of this bill is to end the ban on parkway and freeway construction in Northwest Washington, D.C., which was imposed by the National Capital Transportation Act of 1960. That act contains the following language:

> No freeway, or new parkway more than two lanes in width, shall be built within the District of Columbia west of 12th Street, Northwest, and north of either the north or west legs of the proposed Inner Loop Freeway, the proposed Potomac River Expressway, or the proposed Palisades Parkway before July 1, 1965; and the Agency shall not later than January 10, 1965, submit to the President, for transmittal to Congress, its recommendation as to whether any such freeway or parkway should thereafter be built.

This language establishes what has become known as the freeze on highway construction in Northwest Washington.

I have introduced this bill on behalf of myself and my colleague [Mr. BREWSTER] to strike that language from the National Capital Transportation Act, not because we favor any freeway or parkway being constructed in this area but because that language effectively prevents, not only highway construction, but highway planning and research. Its effects are not confined to Northwest Washington but reach into Montgomery County in Maryland. Indeed, it is a hindrance to all highway planning in the metropolitan area of Washington, D.C.

The Bureau of Public Roads, the Engineer Commissioner, and the Highway Department of the District of Columbia, the Maryland State Roads Commission, the Maryland National Capital Park and Planning Commission, and the Maryland Legislature, have all urged that this freeze be thawed. The Bureau of Public Roads has informed Senator BREWSTER and myself that it is unable to approve the expenditure of any funds for planning or traffic research in this area of the District of Columbia and Maryland until this ban is lifted.

This so-called freeze was placed in the National Capital Transportation Act by the advocates of rapid rail transportation to preserve the Wisconsin Avenue corridor into the District of Columbia as a possible route for a subway or some other form of rapid rail transportation. Recent events have foreshadowed great difficulty for any attempts to construct a rapid rail transit system in the District of Columbia. We must, therefore, reexamine the effects of this ban on highway planning in the light of these recent events. It is for this reason that Senator BREWSTER and I are introducing this bill. We are not necessarily committed to the construction of freeways in this area nor even to the revocation of this freeze but we do wish to have the opportunity to hold early hearings on this bill in order to reevaluate the results of this highway construction ban, both in the District of Columbia and in our own State of Maryland.

The transportation needs of the Washington metropolitan area are already critical. As the population increases, the situation will worsen unless we have imaginative traffic and transit research and planning now. We need rapid mass transit and we need an expanded but sensible highway program. We are not likely to get either by restricting the highway and transit experts and denying them the tools they need to meet present and future transportation needs.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2395) to amend the National Capital Transportation Act of 1960, introduced by Mr. BEALL (for himself and Mr. BREWSTER), was received, read twice by its title, and referred to the Committee on the District of Columbia.

DOUGLAS MacARTHUR, AMERICAN PATRIOT

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Missouri is recognized for 5 minutes.

Mr. SYMINGTON. Mr. President, as the years pass, we are able to view the great events of recent history with more acute perception and deeper understanding. Our vision of yesterday is often more sure than our grasp of today.

As World War II and the era of rehabilitation recede, the men and the deeds that marked the crucial turning points in that momentous chapter of history fall into focus, and we are richer in the wisdom we need for coping with the present and the future.

General of the Army Douglas MacArthur, a towering figure of those times, has been accorded many honors by his countrymen for a lifetime of service, and dedication in war and peace. Yet today, though no longer a member of the active Military Establishment, he is still growing in stature and in the place he holds in the minds and hearts of free men everywhere.

Thus, it has become eminently fitting that we should pay an ultimate tribute to this unique American.

The honor which many of us believe is most appropriate to his achievements, and in recognition of the respect and affection which our Nation feels for him, is to confer on this great military leader the rank of General of the Armies.

Congress has a precedent in the six-star grade approved for Gen. John J. Pershing, the commander in chief of American forces in World War I, after the successful conclusion of that conflict. Surely we can do as much for the American general who led the Allied forces to victory in the Pacific in World War II, who as supreme commander in the occupation converted Japan from a fierce enemy to a warm ally; and who later, as the commander in South Korea, directed the campaign that saved that country from communism and demonstrated our determination to resist Communist aggression.

Several other American generals and admirals were accorded five-star grade during World War II for their achievements to that time. After the war, some earned still further distinction in the field of civilian endeavor, and all were recipients of special honors from our Government.

In the case of General MacArthur, several of his most memorable contributions—particularly as supreme commander in Japan and in the conduct of the Korean war—were made in the period after World War II.

At Inchon, we recall with pride that the forces led by General MacArthur destroyed the vastly superior Communist armies from North Korea. The British

Chiefs of Staff said in a message to General MacArthur at the time:

We believe that the brilliant conception and masterly execution of the Inchon counterstrike which you planned and launched whilst holding the enemy at bay will rank among the finest strategic achievements in military history.

Later, the forces of General MacArthur drove the flower of the Red Chinese armies back to a position of stalemate on the 38th parallel, where they are still held in check today.

To many students of military history, these and other services by General MacArthur, long after his promotion to the grade of General of the Army, were the most distinguished in a career that seemed from the start to reflect a particular genius for military command and leadership of men.

For another measure of General MacArthur, we need only to look to his farewell address last year to the cadets at West Point. Its title, "Duty—Honor—Country," suggests his nobility of purpose, his compassion, and his dedication. Every young American should listen to that magnificent speech, fortunately recorded, delivered without a note, at the age of 82.

In itself it shows how much more than just a military hero is represented in the character of this American patriot.

Last year the Congress gave unanimous approval to a richly deserved resolution expressing the gratitude of the United States for General MacArthur's "outstanding devotion to the American people, his brilliant leadership during and following World War II, and the unsurpassed affection held for him by the people of the Republic of the Philippines which has done so much to strengthen the ties of friendship between the people of that nation and the people of the United States."

A final accolade remains, the honor which I am sure would now be most meaningful to General MacArthur—to confer on him the grade of General of the Armies and thus to manifest our esteem not only for this leader but for all who have served with such skill and zeal in the defense of their country and of freedom.

It is not easy to realize that his career spans so many years. Douglas MacArthur was graduated from West Point, at the head of his class, 60 years ago this June 11. To the best of my knowledge, he has served longer, and in more positions of authority than any other commander in our history. His deeds are among this Nation's most glorious.

Generations to come will be inspired by his courage, his valor, his fortitude. In our own time, should we do less than accord him the highest rank within our power?

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

The ACTING PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. SYMINGTON. I am glad to yield to the able and distinguished minority leader.

Mr. DIRKSEN. Mr. President, in 1933, when a military bill came before the House of Representatives, and I was then a freshman Congressman, I thought the place to go for advice would be to the Chief of Staff. That was Douglas MacArthur. As a newcomer in Washington, I went there, thinking that perhaps, at best, I would receive rather cool treatment. However, never did I find such a congenial person who was willing to spend a whole hour with an uninformed freshman Congressman, discussing the questions he had in mind. That was my first contact with Douglas MacArthur.

I have watched him serve this Republic from that day to this. Truly, he is one of the great and distinguished soldiers, not only of this country, but of the whole, wide world.

I think the least a grateful Republic can do is accord him the honor of conferring a sixth star; and I hope the distinguished Senator from Missouri will let me associate myself with him on the bill he proposes to introduce; I trust he will add my name to it.

Mr. SYMINGTON. Mr. President, I thank the distinguished minority leader for his fine tribute to a great American.

I introduce, and send to the desk, a bill to give General MacArthur his sixth star; and I ask that the bill be received, and that it be held at the desk until January 15, for cosponsorship.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, will be held at the desk for cosponsors, as requested.

The bill (S. 2396) to revive the office of General of the Armies of the United States and to authorize the President to appoint General of the Army Douglas MacArthur to such office, introduced by Mr. SYMINGTON (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Armed Services.

Mr. ROBERTSON. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to the able junior Senator from Virginia.

Mr. ROBERTSON. Mr. President, I warmly commend the distinguished Senator from Missouri for the proposed honor for one of our truly great military leaders.

It was my privilege to meet the then Brig. Gen. Douglas MacArthur in the spring of 1919, immediately after his return from Europe. At that time he was the youngest brigadier general ever to serve in our Army. Soon thereafter he was appointed Superintendent of the U.S. Military Academy, at West Point, where he was one of the youngest, if not the youngest, officer ever to hold that important position.

In January 1920, at the annual Lee-Jackson dinner of the Sons of Confederate Veterans, I was asked to speak on the influence of the strategy of Stonewall Jackson on World War I. Although I had served for several years during World War I, and had reached what I regarded as the desirable rank of major, and although I knew Jackson's influence on me, I did not know just what his influence was on the strategy which was followed in World War I. So I wrote to General MacArthur, and asked him. He gave me wonderful help—so much so that on that occasion, I made a speech which was highly regarded by my old professor, Dr. S. C. Mitchell, one of the truly great scholars, who inspired me to make politics a career. After hearing that speech, he commended it very warmly. It was based on the material General MacArthur had given me.

Mr. President, we in Virginia are very proud of the fact that Douglas MacArthur's mother was born in Norfolk, Va. Of course, we cannot claim all the credit for what has since happened; but we feel that in a sense he belongs to us—so much so, that in Norfolk we are developing a MacArthur Memorial Foundation, to which General MacArthur has promised to send all of his wonderful medals, citations, and so forth, so that in the future all the world will be able to find assembled at that one place these memorials to Douglas MacArthur, a great soldier. And only a year ago we were proud to issue a gold medal to General MacArthur, with copies to be sold for the benefit of the foundation.

I assure the Senator from Missouri that I shall take great pleasure in supporting the bill he is introducing, when it is acted on by the Senate.

Mr. SYMINGTON. Mr. President, I thank the distinguished Senator from Virginia for his equally articulate remarks about a very great military leader of this country.

Mr. DODD. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I yield to the able Senator from Connecticut.

Mr. DODD. Mr. President, I wish to join my distinguished colleague from Missouri, Senator SYMINGTON, in supporting his bill to award a sixth star to Gen. Douglas MacArthur. I hope the bill will speedily be passed by Congress; and I shall be honored to join—following the distinguished junior Senator from Illinois [Mr. DIRKSEN]—in cosponsorship of the bill.

Mr. President, to millions of people at home and around the globe, Douglas MacArthur has seemed a symbol and almost a personification of America in its finest aspects.

Outwardly, there was the unforgettable surface picture—the striking countenance, the confident stride, the legendary hat and glasses and corncob pipe, the resonant, authoritative voice, the grand phrase, the dramatic gesture; and behind this surface picture were all the attributes of excellence, the supreme competence, the serene confidence, the intellectual power, the noble purpose, and the complete commitment to the vision of an America that was unconquerable in the service of a just cause.

General MacArthur must always have felt in his bones the electric current of excitement which America and things American brought to the world two centuries ago; and he has had the rare ca-

pacity to radiate that current to the people of his time.

Here is a man with a sense of history, with a flair for what is honestly and genuinely dramatic, and with an ability to surround himself with an aura of romance and mystery, all effectively and wisely used to advance our national interest.

The name of Douglas MacArthur causes to flash through the mind unforgettable images which are an essential part of the history of World War I and, as the Senator from Missouri pointed out, of World War II, and of the Korean war. The gallant, magnificent defense of Bataan and Corregidor against hopeless odds; the promise to return, and the depth of conviction that made men believe the promise would be kept; the vast, brilliant, island-hopping campaign, stretching from Australia to Tokyo, which ever will remain a marvel of military genius; the wading ashore at Leyte; the incomparable scene on the battleship *Missouri*, where General MacArthur accepted the surrender of our enemy, appropriately concluding a victory so awesome, so complete, so seemingly final; and then the restoration of that fallen enemy to freedom, social justice, and prosperity.

The Korean war once again demonstrated General MacArthur's preeminent qualities of leadership in time of national danger: the brilliant defense at Pusan, the bold landing at Inchon, the swift triumphant march northward, which brought General MacArthur to the Yalu River and to the beginning of the greatest controversy of his life and to a critical turning point in American history.

When the Chinese Communists entered the Korean war, it became an entirely new conflict. General MacArthur was prevented from taking the steps he felt were necessary to win the new Korean war. He made it clear that while he would carry out the policy dictated in Washington, he was opposed to a policy which accepted a military stalemate in Korea.

He was dismissed. His policies were rejected by both the Democratic and Republican administrations. I believe that history has already proved General MacArthur right, and that as Chinese Communist aggression spreads throughout Asia, each year we are paying the price for not doing what we should have done in Korea.

For more than a decade, General MacArthur has remained aloof from the storm center of political controversy. Many honors have come to him, all of them richly deserved.

It can be truly said that in this century, in peace and in war, when the vital interests of our country have been placed in the hands of this great man, they have been preserved and advanced. The esteem and love and thanks of a grateful Nation go out to him for what he has done, for what he is, and for what he means to our generation and to all generations.

I commend the Senator from Missouri for his bill, and I hope it will speedily be passed by a grateful Congress.

Mr. SYMINGTON. I thank the Senator from Connecticut for his kind remarks in regard to this great American.

DOUGLAS MAC ARTHUR—MASTER AMERICAN

Mr. MUNDT. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from South Dakota.

Mr. MUNDT. I thank the Senator from Missouri for yielding to me.

Mr. President, I commend and congratulate the Senator from Missouri for introducing his bill, and I join in the tributes being paid to this great American, Gen. Douglas MacArthur.

Mr. President, six simple words—"Arranged in order of relative rank"—precede the listing of general officers in the U.S. Army Register. Although the Army Register is unfamiliar to many persons, these six words speak volumes whenever and wherever soldiers gather.

Those who open the Army Register to the table of relative rank will see, as I did, that the name of General of the Army Douglas MacArthur heads the list, which is made up of the most distinguished leaders of our time. On that list in the Army Register, the name of General MacArthur is followed by the names of Generals of the Army Dwight David Eisenhower and Omar Nelson Bradley. Then follow the names of the generals, the lieutenant generals, the major generals, and brigadier generals who make up our Military Establishment today.

Gen. Douglas MacArthur deserves the honor proposed by the bill introduced here today.

Mr. President, I ask unanimous consent that my name be listed as a cosponsor of the bill to confer the rank of six-star general on Douglas MacArthur. He has earned the honor through decades of service to his country. Since the day when he entered the Military Academy in 1899, he has served his country with honor and distinction.

His list of decorations and awards is legion. There is no need to read it here. Suffice it to say that it runs from the Congressional Medal of Honor through the Distingiushed Service Cross, the Distinguished Service Medal, the Navy Distinguished Service Medal, the Silver Star with six oak leaf clusters, the Distinguished Flying Cross, the Bronze Star Medal, the Air Medal, and the Purple Heart.

His outstanding service in World War I, following the war and as Chief of Staff, in the Philippines, in World War II, in Japan after the war, and in the Korean conflict added chapter after brilliant chapter to the MacArthur story.

Merely to list the highlights in his career would fill several chapters in a book.

He was already a hero when he stalked splendidly ashore in the Philippines and kept his "I shall return" promise to the people who had come to know and love him during his years of service in their country.

He was already an old campaigner, much decorated for valor, when he was called on to once again lead American boys into battle in Korea.

In addition to his military genius, Douglas MacArthur will always be remembered as an orator. Here again, arranged in order of rank, he must be included with Churchill, Roosevelt, Madam Chiang Kai-shek and the other great speakers of our time.

Many there are in this Chamber today who remember the grandeur of his eloquence as he addressed a joint session of Congress after he was called home from the Pacific. We politicians are not much given to sentiment but there was sentiment in the Chamber that day. Admiration for the returned warrior enveloped the country and almost overnight "Old Soldiers Never Die" became a national hit song.

Years later, he journeyed to his beloved West Point and once again stirred the Nation with his "Duty, Honor, Country" speech to the Corps of Cadets.

Military genius, statesman, orator are but a few accolades that have been conferred on Douglas MacArthur through the years.

Small incidents can characterize the love and affection felt for this great leader. In my office reception room hangs an oil portrait of Douglas MacArthur presented to me by a friend many years ago. My executive secretary, Roberta Van Beek, arranged for a small light to be hung above the portrait and every workday begins for her after she turns on the light illuminating the features of Douglas MacArthur.

I do not believe she has ever met the general, but like millions of Americans she loves him.

The honor proposed by my colleague today is most fitting, and I hope the legislation will be acted on expeditiously.

It is indeed a happy occasion that, through the leadership of the Senator from Missouri [Mr. SYMINGTON], Senators are speaking their minds about Douglas MacArthur, and proposing six-star general recognition for him.

Mr. SYMINGTON. I thank the able Senator from South Dakota for his eloquent remarks. I, too, heard the speech of Douglas MacArthur at the time he made his farewell address at West Point; and wish every American youth could also hear that talk as I stated, without notes—and at the age of 82.

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

Mr. SYMINGTON. I yield to the distinguished Senator from Alaska.

Mr. GRUENING. I should like to commend the Senator from Missouri for introducing the excellent bill. I ask unanimous consent that I may be allowed to join as a cosponsor.

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

Mr. GRUENING. Reference has been made to the magnificent speech of General MacArthur at West Point. I was so impressed with it—as was everyone who heard or read it—that I took the liberty of having it printed in the CONGRESSIONAL RECORD at that time. It is one of the great classics of oratory in the history

of the American people. It deserves perpetuation with a few of the other—and very few—equally memorable addresses.

Much has already been said—and I shall not repeat—about the military genius of General MacArthur. But I should like to cite a personal experience, of my own knowledge, which indicates that in addition to being a great general and a great military leader, he also had a broad interest in other affairs.

In the middle 1940's, as Governor of Alaska, I was engaged in promoting the cause of statehood for Alaska. At that time the cause did not look too promising. I sought to form a nationwide committee of 100 distinguished citizens who would endorse the cause because they felt it was in the national interest, would demonstrate that America still was young and on the march, and that we were doing the right thing in extending the frontiers of democracy and self-government to the farthest territory north and the farthest territory west.

While I found some supporters, I also found some who, for one reason or another, thought it inadvisable at that time to join the movement and give their names to a cause which they had not fully studied. No so with General MacArthur. I was in Tokyo at the time. I talked with him and explained our cause. I did not have to complete my argument. Before I had finished, he interrupted me and said, "I shall be glad to 'lead all the rest,' like Abou Ben Adhem." His name was added to that distinguished list, which contained the names of such outstanding military leaders as Gen. "Hap" Arnold of the Air Force, and Adm. Chester Nimitz of the Navy. What a distinguished trilogy that was to support this great movement for statehood, along with Eleanor Roosevelt. People of all walks of life—including authors, poets, writers—who felt as we did at the time, joined in pointing out that statehood for Alaska and Hawaii was in the national interest.

I cite that incident to show that General MacArthur is not only a military man but also a versatile man in every sense of the word.

Again, I wish to applaud the Senator from Missouri for introducing the proposed legislation. I hope it will be enacted. It is a deserved tribute to the superlative service of Douglas MacArthur in wartime and in peacetime.

Mr. SYMINGTON. I thank the distinguished Senator from Alaska for the fine tribute he has paid to one of America's greatest military leaders.

Mr. President, I yield to the distintinguished Senator from South Carolina [Mr. THURMOND] and ask unanimous consent that he may proceed for 5 minutes.

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

Mr. THURMOND. I wish to commend the distinguished Senator from Missouri for his statements and for his introduction of the bill. I ask unanimous consent to have my named as a cosponor.

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

Mr. THURMOND. Mr. President, our country has no greater example of dedication, patriotism, and unselfish service than is exemplified by the life and career of Gen. Douglas MacArthur.

Although he first took the oath of service when he entered West Point in June 1899, he was actually a member of the military service from his birth. He was born at Fort Little Rock, Ark., January 26, 1880, the son of then Capt. Arthur MacArthur, later Lt. Gen. Arthur MacArthur, the 12th man in the U.S. Army to reach the rank of lieutenant general.

Douglas MacArthur, therefore, began his military experience and service with the U.S. Army on the frontiers during the Indian wars.

His dedication was early apparent. At West Point, he was both first captain and first in scholastic standing among his classmates. After graduation in June 1903, his first assignment was in the Philippines, and it was during this first assignment that he gained his first combat experience. Since that first assignment, he has served his Nation in practically every conceivable military assignment. He was an observer with the Japanese Army in the Russo-Japanese War in 1905. He was present at the Battle of Mukden. He served as military aide to President Theodore Roosevelt. He distinguished himself in the punitive expedition against Villa in Mexico, and he completed combat service in World War I as commander of the famous Rainbow Division.

General MacArthur served for 5 years as Chief of Staff of the U.S. Army. For more than 10 years prior to his retirement in 1951, he served as U.S. Commander in the Far East as well as Supreme Commander of Allied Forces in the Far East.

General MacArthur has been the recipient of practically every military decoration and honor his Nation could bestow, including the Congressional Medal of Honor.

General MacArthur has been more than a faithful and devoted soldier to the United States. He has been a dedicated servant of his Nation throughout his life. The lifelong purpose which he has successfully attained has been to excel in service.

In whatever way our Nation honors this dedicated servant, it honors itself, for we are but holding up the highest and best example which our Nation can produce in the hope that others will be inspired by his exemplary record to attempt to emulate his dedicated service, just as Gen. Douglas MacArthur was inspired by the shining example of his own father, Gen. Arthur MacArthur.

In closing, Mr. President, again I wish to commend the distinguished Senator from Missouri upon initiating the remarks this morning in honor of General MacArthur and for the bill he has introduced.

Mr. SYMINGTON. I thank the able Senator from South Carolina, and I know, especially because of his own outstanding military record, that General MacArthur will especially appreciate the remarks the Senator has made this afternoon.

Mr. President, I ask unanimous consent that the names of the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], the distinguished Senator from Virginia [Mr. ROBERTSON], the distinguished Senator from South Dakota [Mr. MUNDT], the distinguished Senator from Connecticut [Mr. DODD], the distinguished Senator from Alaska [Mr. GRUENING], the distinguished Senator from Maryland [Mr. BEALL], and the distinguished Senator from South Carolina [Mr. THURMOND], be added as cosponsors of this bill.

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

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

Mr. SYMINGTON. I yield.

Mr. MILLER. I should like to ask the Senator from Missouri if my name may be added as a cosponsor to the bill he has just introduced?

Mr. SYMINGTON. Mr. President, I thank my colleague and ask unanimous consent that the name of the distinguished Senator from Iowa [Mr. MILLER] be added as a cosponsor to the bill. Again, may I say, the bill, by unanimous consent, will be laid on the desk until January 15 for additional cosponsors.

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

Mr. BEALL. Mr. President, I wish to join my distinguished colleague, the Senator from Missouri [Mr. SYMINGTON], in support of this bill.

This country has repeatedly responded to challenges forced upon it by producing leaders capable of inspiring and leading our great people to meet and to overcome these challenges.

By S. 1088, General MacArthur would be elevated to a six-star rank. This man, however, became more than just a leader; he emerged as a giant among the great and certainly one of the most illustrious men of our times.

Who among us cannot recall General MacArthur's courage during dark days of the battles in the Pacific? Who among us can forget those courageous ever-inspiring words, "I shall return," which seem to turn even defeat into victory? I do not intend to fill the records with the re-creation of General MacArthur's glorious return which paved the way for our ultimate victory in the Pacific. History sufficiently establishes those facts.

Who among us can forget General MacArthur's work in postwar occupation of Japan? The fact that Japan is the most prosperous country in the Far East, as well as a showplace for democracy, evidences the remarkable groundwork laid by the general.

Who among us can forget General MacArthur's leadership as Commander of the United Nations forces during the Korean conflict. His efforts helped to impress upon the Communists the determination of the free world in preventing the spread of communism.

When history renders its final judgment on the services and the accomplishments of this great leader, I am

confident a decision by the Congress to bestow the six-star rank upon the general will be applauded.

VETERINARY MEDICAL EDUCATIONAL FACILITIES CONSTRUCTION ACT OF 1964

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to authorize a 3-year program for matching grants for construction and expansion of capacity of veterinary medical education facilities, and for student loans for such personnel.

In its construction phase the bill would provide for each of the 3 fiscal years, commencing July 1, 1964, first, $15 million for grants for "construction of new or expanded teaching facilities for the training of veterinary medical personnel"; and second, $2 million for "grants to assist in the replacement and rehabilitation of existing teaching facilities for the training of veterinary medical personnel."

The program would be administered by the Surgeon General of the U.S. Public Health Service.

This bill is a new version of legislation which I offered in the 87th and 86th Congresses. On those occasions, I had proposed a 10-year program for matching grants. A longer-range program is indeed necessary. Construction of a new institution or improvement of an existing institution does take many years of advance planning. Nevertheless, I have revised and limited the bill, in order that it be in accordance with, first, the overall need for reasonable economy in Federal expenditures; second, the need to assure reasonably equal treatment to the various health professions.

THIS BILL DOVETAILS WITH PUBLIC LAW 88–129

In this latter connection, I point out that on September 24, 1963, the late President John F. Kennedy signed one of the great landmark laws of the present Congress—the Health Professions Educational Assistance Act of 1963—Public Law 88–129. This law increases the opportunities for training of physicians, dentists, and professional public health personnel such as pharmacists, optometrists, podiatrists, nurses or "other public health" personnel.

THE PREVIOUS OMISSION OF THE VETERINARY PROFESSION

Veterinary medical education was not included, unfortunately. It had been my hope that it could have been included and that certain other improvements could likewise have been made in the bill, H.R. 12. The bill, as enacted, was an excellent bill, but it was necessarily a compromise and a reasonable one.

Now, I believe, we should proceed to rectify the omission of veterinary science from the law's provision. That, in essence, is what my bill, today, would do.

I should like to commend the veterinary leaders and organizations of this Nation for the deep understanding which they showed in awaiting their turn. They did not press for immediate inclusion of their vital profession in the version of H.R. 12 which came to the Senate. They felt that their profession more than merited inclusion. But they recognized that had many amendments been proposed to the health professions bill, the chances of prompt enactment might have lessened. So, veterinary leaders indicated that they would, in effect, stand in line, awaiting future action as soon as the Congress felt that it would be in a position to enact supplementary legislation.

I earnestly hope that we will fulfill this splendid profession's reasonable expectation early in the 2d session of the 88th Congress.

PERSONAL BACKGROUND AS TO VETERINARY SCIENCE

It is my personal privilege to represent a great agricultural State with a great college of veterinary medicine—at the University of Minnesota.

But I am sure that my colleagues representing States with the other 17 schools of veterinary medicine also realize the essential role played by this profession in modern health.

IMPORTANCE OF VETERINARY SCIENCE IN INTERNATIONAL AGRICULTURAL COMPETITION

In addition, I base my personal judgment on experience as chairman of a Senate Government Operations Subcommittee which has considered the problems of veterinary science. This subcommittee published, for example, as 1 of 11 major studies on international health problems, a comprehensive committee print entitled "Veterinary Medical Science and Human Health." That print of August 10, 1961, was kindly characterized in this way by a distinguished veterinary leader, W. T. S. Thorp, D.V.M., chairman of the joint committee on education of the American Veterinary Medical Association:

> This publication by the Senate committee and staff is considered by the veterinary medical profession as an encyclopedia of veterinary activities. It includes work of the veterinary medical profession not only in the United States but from an international standpoint.

Dr. Thorp, who is, I am proud to say, dean of the College of Veterinary Medicine at the University of Minnesota, kindly recalled:

> In April 1960 during the preparation of the report, Senator HUMPHREY stated in introducing legislation to construct veterinary medical schools that, "The two are inseparable, human health and the health of animals, whether most laymen recognize this fact or not."

The print underlined, among other points:

First, the indispensability of veterinary science to agricultural productivity;

Second, the need for increased international veterinary cooperation;

Third, America's world-recognized preeminence in this field—a preeminence, I may say, which is understandably envied by the Soviet Union;

Fourth, America's important role in assisting veterinary science in the developing countries in order to increase production of food and fibers; and

Fifth, America's urgent research need to learn more about the biological processes of animal life as a crucial means of understanding and meeting man's own health problems.

ASSURING SAFETY IN ANIMAL DRUGS

In addition, I may add that, as I told the noted Animal Health Institute earlier this year, our subcommittee has seen some little bit of the important role of veterinary biologicals and drugs.

Indeed, speaking personally, from days in my father's drugstore onward, such medications have been almost as familiar to me as the healthful drugs we dispensed for humans.

I might add, at this point, parenthetically, that I am personally impressed by the stalwart stand of the Food and Drug Administration and the American Veterinary Medical Association against—I repeat—against any weakening of protection of safety standards on new animal drugs, as provided under present law. For such weakening, whatever its announced and high-sounding purpose, could set an alarming precedent which might endanger present protection on human drugs and biologicals, including batch-by-batch certification on antibiotics, as well.

I, for one, would like veterinary science, as I am sure FDA and AVMA would, to continue to be in the vanguard of strengthening safeguards of public health. The veterinary field should not become—as some sources might otherwise end up making it—a "battering ram" for opening up loopholes in existing drug safeguards.

Surely, we can work toward the wise goal of increased efficiency in the processing of new animal drug applications without opening such unsound loopholes.

ROLE OF MODERN VETERINARIAN

Today's and tomorrow's veterinarian is a health leader in his community. To the farmer, he is indispensable; to tens of millions of Americans with household pets, in cities or on farms, he is an invaluable friend.

IMPORTANCE OF VETERINARIAN

Today's veterinarian spends 6 to 8 years in acquiring his education, 2 years minimum preveterinary work and 4 years in the colleges and schools of veterinary medicine. Today's veterinarian serves the human population. I emphasize, serves man himself, in four broad areas.

First. Removal of animal reservoirs of infection to man through the eradication and control of those many diseases which are transmissible to man.

Second. Development of preventives or treatments for animals that can be adapted for use in human medicine.

Third. Supervising programs in food hygiene that protect the consumer against food-borne diseases.

Fourth. Participating in the basic medical sciences in studying disease processes in animals, especially analogous or similar to those in man.

SHORTAGE OF VETERINARIANS

There are at present 21,565 veterinarians in the Nation. That is far too few right now. But, by 1980, to meet the needs of increased activities in public health and related fields in North America, we will need 1.75 veterinarians per 10,000 population or approximately 47,250. It is estimated that of this increased number, 35,000 will be required

by the United States. We cannot have this many veterinarians unless we are willing to enact legislation such as I submit today.

CONSTRUCTION NEEDS IN YEARS TO COME

A recently completed survey of each of the 18 colleges of veterinary medicine indicates that the firmly estimated needs for construction and facilities for the next 10 years will total $145 million. These range from $500,000 to $31 million, most approximating $5 million to $10 million.

NEED FOR MANPOWER

But we need more than money for "bricks and mortar," as important as that is. We need to attract and retain talented manpower. We need many more young people with ability and dedication in this area of medicine. We need to double the opportunity for high school graduates to avail themselves of this type of professional education. These graduates should not be discriminated against, as regards unavailability of loan funds, as compared with loans available for students in other branches of medicine.

In the 1962–63 academic year there were 4,016 students studying for the doctor of veterinary medicine degree enrolled in the 18 veterinary medical schools. I welcome these young people's interest.

NEEDS OF FEDERAL GOVERNMENT

So does the U.S. Government and State and local governments. There is a current shortage of about 535 veterinarians reported by State and local health departments and the U.S. Public Health Service.

A study by the Agriculture Science Advisory Committee, appointed by Secretary Orville Freeman, examined, I might note, the animal disease and parasite research program and other programs of agricultural research service needing veterinarians. It found a marked shortage of veterinary medical personnel available to the Department of Agriculture. The total needs in this area are approximately 400 within the next 5 years.

ADDITIONAL COMMENTS BY DEAN THORP

I should like to quote now the concluding comments by Dean Thorp in his testimony on August 26, 1963, before the Subcommittee on Health of the Senate Committee on Labor and Public Welfare:

This statement of the joint committee on education of the American Veterinary Medical Association has attempted to point out a few of the interrelations with human medicine in a large number of areas, many of which are highly technical. Aid to veterinary medical education is not a matter of building or expanding each medical school or more veterinary schools but is one of meeting the Nation's health needs.

The American Veterinary Medical Association is of the firm belief that the maximum medical and scientific potential of this country cannot be reached without meeting the needs of teaching and research for their branch of the health profession. While the research, teaching, and professional activities in the field of veterinary medicine are closely related to and in many instances inseparable from the problems of human medicine and public health, there is a rapidly expanding demand for the services of highly trained veterinarians in disciplines falling within the broad definition of public health. To meet these needs of the Nation, it is necessary that the educational facilities first, and in turn the research facilities, be expanded.

CONCLUSION

This Nation believes in paying the price for progress. It is a much smaller price, I may add, than the price of inertia or stagnation. Progress in veterinary science is essential. We must be willing to pay the relatively small price this progress requires.

I may add, 1963 marks the 100th anniversary of the founding of the American Veterinary Medical Association. This association has given 10 decades of honored service to man by contributing to the health of animals on which he depends so vitally, as well as the health of man directly.

It is my hope that as its centennial year draws to a close, this great organization, AVMA, will be able to look forward confidently to enactment in the near future of this legislation. The decision is now in our hands.

I should like to conclude by conveying my felicitations on these 100 years of the association's service to H. E. Kingman, D.V.M., executive secretary of AVMA, and to his colleagues throughout the country, including B. S. Pomeroy, D.V.M., secretary-treasurer of the Minnesota Veterinary Medical Association, and all other officers and members.

So, too, I should like to commend the overall contributions by American manufacturers of veterinary drugs and biologicals—for they constitute the most important such animal drug industry in the world—an industry on which much of our Nation's well-being vitally depends.

This proposed legislation today can, I hope, enable the profession, industry, agriculture—all of us—to enjoy a still better, healthier, tomorrow.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2397) to authorize a 3-year program of grants for construction of veterinary medical education facilities, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

COORDINATION OF FEDERAL ACTIONS IN DEPRESSED AREAS

Mr. KEATING. Mr. President, I introduce for appropriate reference, for myself and my colleague from New York [Mr. JAVITS], a bill to require the Secretary of Commerce to maintain a general oversight of new Federal activities with a view to determining whether any such activities could appropriately be performed in areas of labor surplus. Particularly where Federal installations or activities are being abandoned, it is important that the Federal Government, along with State and local interests, consider how it can contribute to a better economic picture.

What this bill calls for is nothing more or less than a little coordination among Federal agencies. Strange as it may seem, with all the money that has been appropriated for Federal employment creating activities of one kind or another, there has been no effort that I know of to encourage new Federal projects to come into these areas, with the possible exception of the activities in West Virginia.

The Defense Department in particular takes the rather lordly view that it is not a WPA program and has no responsibility at all to consider employment prospects that may be affected by its activities. This seems to me a most shortsighted outlook. Our defense basically depends upon a healthy economy, and arbitrary activities of the Defense Department with its $50 billion budget have tremendous impact.

Mr. President, it is also not the direct responsibility of the Defense Department to encourage integration or to work for the elimination of segregation policies in our communities. Yet in recognition of its responsibilities and of the important national objective of equal rights, the Defense Department has taken action in this field—and rightly so.

Full employment, like the full enjoyment of civil rights, is a vital national objective. There is no agency of the Government that should consider itself too important to cooperate in achieving these goals.

The purpose of this bill is not only to remind all Federal agencies of their obligations in this regard, but also to provide a method of coordinating empty facilities in depressed areas with new needs—perhaps at an even greater overall benefit to the economy than merely by abandoning them.

Some of the projects that come to mind in this connection are research activities of NASA and the Department of Health, Education, and Welfare. These are currently sought, at great cost, all over the country. There is great concern for the design and prestige of the project but relatively little Federal consideration of what such facilities can themselves contribute to the area ultimately selected, particularly an area which has recently lost other Federal activities.

Mr. President, I ask unanimous consent that the bill may be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2398) relating to the carrying out of Federal projects in areas of substantial unemployment, introduced by Mr. KEATING (for himself and Mr. JAVITS), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Commerce shall hereafter consult and maintain a close liaison with the heads of all departments, agencies, and instrumentalities of the United States in order that he may be better informed concerning those projects to be carried out or administered

by such departments, agencies, and instrumentalities which will provide jobs for civilian personnel; and the Secretary shall, in appropriate cases, recommend to the head of any such department, agency, or instrumentality that any such proposed project be carried out in an area of substantial unemployment if such project, in the opinion of the Secretary, would help alleviate the unemployment problem and could reasonably be performed in such area.

(b) In making recommendations to any department, agency, or instrumentality of the United States pursuant to subsection (a) of this section, the Secretary of Commerce shall give due consideration to any area of substantial unemployment in which any Federal facility or activity has been, or is being, terminated.

(c) The heads of all departments, agencies, and instrumentalities of the United States are authorized and directed to cooperate with the Secretary of Commerce to the maximum extent possible.

(d) As used in this Act, the term "area of substantial unemployment" means an area which is eligible for assistance under the Area Redevelopment Act or the Public Works Acceleration Act.

COMMEMORATION OF SOKOL CENTENNIAL

Mr. HRUSKA. Mr. President, I introduce, for appropriate reference, a bill to provide for the issuance of a series of postage stamps to commemorate the centennial of the American Sokol Organization.

On February 8, 1962, it was my pleasure to call to the attention of the Senate the 100th anniversary of the Sokol International Organization. When this organization was formed at Prague, Czechoslovakia, on February 16, 1862, the organizers were inspired by the principles of freedom and liberty. Led by men well versed in history, they knew the virtues of a democracy and were determined to instill them in the membership of the Sokol Organization. In their dedication to such a cause, they sought the development of the whole individual, physical, mental, moral, and spiritual. Convinced of their inseparable connection, they designed a magnificent system of calisthenics and gymnastics for individual discipline and development.

These ideals and goals spread quickly to America. It was on February 14, 1865, that the first Sokol unit was established at St. Louis, Mo. Today Sokol units reach from coast to coast, from Canada to Mexico. The record of its members in the military service is proverbial. Less than one-sixteenth of 1 percent have been rejected by the military services for physical infirmities.

On November 20, 1963, I referred, in some further remarks in the Senate, to the success of the Sokol Organization in America. From one unit in 1865, it has grown to a total membership of over 250,000. They have built and supported their own gymnasiums, community centers, and children's camps and continue to expand their activities.

In tests comparing the fitness of European and American youth, the success of the Sokol program was dramatically demonstrated: 9 percent of the Europeans failed, 60 percent of the Americans failed, while significantly only 3 percent of the Sokol children failed.

Many national leaders, including several Presidents of the United States, have recognized the need and emphasized the importance of physical fitness programs modeled after the Sokol organization.

The issuance of a commemorative stamp would give further recognition to the importance of the Sokol movement in a free society.

It is for this reason that I urge the issuance of a series of postage stamps to commemorate the centennial of the American Sokol Organization.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2399) to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the founding of the American Sokol Organization, introduced by Mr. HRUSKA, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Postmaster General is authorized and directed to issue a special series of postage stamps, of such appropriate design and denomination as he shall prescribe, in commemoration of the 100th anniversary of the founding of the American Sokol Organization. Such stamps shall be first offered for sale to the public on February 14, 1965, the date of such anniversary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

Mr. LONG of Louisiana. Mr. President, I introduce, for appropriate reference, a bill to amend section 301(a) of the Immigration and Nationality Act, which defines who shall be citizens of the United States at birth. Clause 7 of this section states that, if a person is born outside of the United States of parents, one of whom is an alien and the other a citizen of the United States, the citizen parent, prior to the birth of the person, must have lived in the United States for at least 10 years, 5 of which were after attaining the age of 14.

It came to my attention some time ago that this part of our Immigration and Nationality Act could work an undue hardship on certain naturalized American citizens who were serving in the Armed Forces abroad. In one particular case, a naturalized American citizen who was a sergeant in the Air Force stationed overseas with his noncitizen wife became the parent of a baby boy. He soon learned that his son was not an American citizen by birth and that his son could become only a naturalized citizen. This was due to the fact that the boy had been born overseas and that his father had not, prior to going overseas, lived in the United States 10 years. If the boy had been born in the United States, regardless of the fact that one of his parents was an alien and the other was a citizen who had not lived in the United States 10 years prior to his birth, he would have been a citizen of the United States at birth.

I do not believe that, because one is assigned by an arm of the U.S. Government to a post overseas rather than to a post in this country, he should be discriminated against as far as the citizenship of his children is concerned. In the case I have related, I introduced a private bill for the relief of the affected party. The bill was not acted upon by a previous Congress. However, I believe that, rather than introduce a private bill again this year, it would be better to amend the act so that others will not be affected similarly by this unusual set of circumstances.

Therefore, the amendment I introduce today would add another proviso to the current law to state that the physical presence requirement shall not apply to any citizen parent who, at the time of the birth of his child, is required to serve and is serving outside the country in the Armed Forces of the United States, or in the employment of any other department or agency of the United States.

In other words, in the case I have related of the Air Force sergeant who was a naturalized citizen married to an alien and who had not lived in the United States 10 years prior to the birth of his son, it would not matter whether the sergeant were stationed in the United States or overseas, and, thus, whether the son were born here or abroad. Such a child would still be declared a citizen at birth.

In all fairness, I cannot see how it should be any other way. The parents had no control over the situation. They were assigned to a base outside the country rather than to one in the country. This happenstance should not serve as the basis for discrimination against the child.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2401) to amend the Immigration and Nationality Act, introduced by Mr. LONG of Louisiana, was received, read twice by its title, and referred to the Committee on the Judiciary.

IMPROVEMENT OF NATIONAL TRANSPORTATION SYSTEM—AMENDMENT (AMENDMENT NO. 364)

Mr. JAVITS. Mr. President, I submit, on behalf of myself and the Senator from Pennsylvania [Mr. SCOTT], an amendment to S. 1062, the administration's transportation bill to provide for the strengthening and improving of the national transportation system. This amendment would specifically allow financially hard-pressed U.S. railroads to apply to the World Bank for financial and technical assistance. Under section 10(d) of the bill as presently written, the Secretary of Commerce is authorized to guarantee loans from "any public or private financing institution" to aid common carriers subject to the Interstate

Commerce Act, but there is doubt as to whether the World Bank would qualify under this language.

This amendment would make it clear that U.S. railroads may apply to the International Bank for Reconstruction and Development—World Bank—for financial and technical assistance to help carry out a comprehensive plan for rehabilitation and modernization. The amendment would accomplish this objective by expressly including the World Bank within the bill's definition of "public financing institutions" to which the railroads may apply for loans. Without the amendment, some doubt may exist as to whether a World Bank loan would be eligible for guarantee under section 10 of the administration's bill.

The present ad hoc approach of patchwork solutions to the railroads' financial problems must be remedied by a long-range comprehensive planning program. Under a version of section 10(d) which was in the law between 1958 and June 30, 1963, and which would be revived under the Commerce Department by the bill, 14 American railroads received approximately $220 million in assistance from both public and private financing institutions within the United States. However, it is apparent that such financial assistance has not by itself solved railroad difficulties.

I believe that the expertise in the transportation field for which the World Bank is well known, and the Bank's stringent requirements for long-range and comprehensive planning as a condition to financial assistance, will significantly contribute to the solution of railroad financial problems.

The idea of utilizing the World Bank to assist U.S. railroads was first incorporated in legislative form in H.R. 8897, the Railroad Redevelopment Act of 1963, recently introduced in the House of Representatives by my distinguished New York colleague, Congressman OGDEN REID. A careful examination of this concept had also been made by Mr. Arne *Wiprud, formerly* director of the New York State Office of Transportation and presently a consultant to New York State in transportation matters.

The World Bank would be a particularly appropriate institution to assist U.S. railroads because of its long experience in extending loans for the rehabilitation of railroads. Since its establishment, the Bank and its affiliate, the International Development Association—IDA—have loaned $1,171,300,000 to foreign countries to construct, improve and modernize their railroads.

In fiscal year 1961–62 the Bank financed project and sector assistance studies in a number of countries, including a general transportation study in Colombia, a highway and transport study in Peru, a railroad survey in Bolivia, and a general transportation study in Ecuador.

Although the World Bank has never made a loan to the United States, which is its largest stockholder with 31 percent of its capital, it has made a number of significant loans to industrialized countries for purposes of modernizing railroads, including $80 million to Japan in 1961 to aid the Japanese National Railways in the construction of a modern, high-speed 320-mile railroad line between Tokyo and Osaka; $7,500,000 to France in 1954 for railroad modernization; $61 million to Mexico in 1959 for railroad rehabilitation; and 9 loans to India between the years 1949 and 1961 totaling $379 million for purchase of diesel locomotives, for electrification of 1,300 miles of track, for acquisition of large-capacity freight cars and for improvements in rail operations. Loans from the World Bank to member countries for use on railroads have never been in default and have provided a basis for significant improvement of their railroad systems.

Since there is no legal bar either in the Bank's charter or in U.S. law against such assistance to American railroads, our railroads should have the same right to obtain loans as those in other member nations do. The World Bank's vast resources and skills in transportation planning should not be denied to this country's railroads.

One of the U.S. lines most in need of financial assistance is the New York, New Haven & Hartford Railroad, which serves as the only direct rail link between southern New England and the South and as a principal rail link between southern New England and the West. The maintenance of the New Haven's operation is essential to all the New England States. The assistance given by the Federal Government, under the now expired predecessor of section 10 (d) of S. 1062, in the form of Interstate Commerce Commission guarantees for loans totaling $35,600,000, has enabled the New Haven at least to maintain its operational capacity.

But, just as with many other U.S. railroads, the financial assistance already received has been part of only a patchwork approach as contrasted with the comprehensive planning utilized by the World Bank. At this point, the continued life of the New Haven and other New England railroads is dependent upon a comprehensive approach which will assure complete modernization. By tying in with the capital and technical expertise of the World Bank, the guarantee provision in section 10 of S. 1062 will gain new life and new meaning for hard-pressed U.S. railroads, for the commuters and shippers who use them, and for the economy of the Nation.

I urge the Commerce Committee to give this new concept its prompt consideration and to hold hearings on this amendment separately or in connection with other legislation before it even if the committee decides not to take further action on the underlying bill. I believe the concept is worthy of the committee's careful study.

I ask unanimous consent that the amendment be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Commerce, as follows:

On page 19, on line 21, insert after the word "purposes," the following: "pursuant to a comprehensive plan for redevelopment prepared jointly by the applicant carrier and the financing institution and designed to give reasonable assurance that such carrier will become economically viable and financially sound".

On page 20, between lines 17 and 18, insert the following:

(5) The term "public financing institution" shall include the International Bank for Reconstruction and Development or any of its affiliates in any case where financing guaranteed under the provisions of this section is unavailable on reasonable terms from any other financing institution.

On page 24, line 10, strike out "1963" and insert in lieu thereof "1968".

Mr. JAVITS subsequently said: Mr. President, I ask unanimous consent that the amendment which I submitted earlier today for World Bank assistance for United States railroads may lie on the desk for additional cosponsors until the close of business on Friday.

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

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES—AMENDMENTS

Mr. SPARKMAN (for himself, Mr. BIBLE, Mr. SALTONSTALL, and Mr. COOPER) submitted amendments (Nos. 365 and 366), intended to be proposed by them, jointly, to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes, which were referred to the Committe on Finance and ordered to be printed.

Mr. SPARKMAN (for himself, Mr. BIBLE, and Mr. SALTONSTALL) submitted an amendment (No. 367), intended to be proposed by them, jointly, to House bill 8363, supra, which was referred to the Committee on Finance and ordered to be printed.

Mr. DOUGLAS submitted amendments (Nos. 368, 369, and 370), intended to be proposed by him, to House bill 8363, supra, which were referred to the Committee on Finance and ordered to be printed.

Mr. DIRKSEN submitted an amendment (No. 371), intended to be proposed by him, to House bill 8363, supra, which was referred to the Committee on Finance and ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO FOREIGN AID APPROPRIATION BILL (AMENDMENT NO. 372)

Mr. PASTORE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for foreign aid and

related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 18, line 3, insert the following:

"STATIONERY (REVOLVING FUND)

"For an additional amount for stationery, $60,600: *Provided,* That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of $2,400 per annum."

Mr. PASTORE also submitted an amendment (No. 372), intended to be proposed by him, to House bill 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. PASTORE also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 18, line 3, insert the following:

"MISCELLANEOUS ITEMS

"For an additional amount for 'Miscellaneous items,' $215,000: *Provided,* That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading 'Contingent Expenses of the Senate' in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended, is amended by striking out the words 'one hundred and twenty' and inserting in lieu thereof 'one hundred and sixty' and by striking out the words 'six hundred' and inserting in lieu thereof 'eight hundred'."

Mr. PASTORE also submitted an amendment (No. 373), intended to be proposed by him, to House bill 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. PASTORE also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9499) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 18, line 3, insert the following:

"POSTAGE STAMPS

"For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, $6,060: *Provided,* That the maximum allowance per capita of $550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to $610 for the fiscal year 1964 and thereafter."

Mr. PASTORE also submitted an amendment (No. 374), intended to be proposed by him, to House bill 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDITIONAL TIME FOR COSPONSORSHIP OF SENATE JOINT RESOLUTION 139, PROPOSING CONSTITUTIONAL AMENDMENT

Mr. BAYH. Mr. President, on Thursday, December 12, I introduced an amendment to the Constitution. This measure has now been designated Senate Joint Resolution 139.

At the time of introduction, Mr. President, I asked that Senate Joint Resolution 139 be held at the desk until Wednesday, December 18, 1963, in order that other Senators would have an opportunity to join me in cosponsoring this amendment.

Because of the intense interest being shown in this entire matter of Presidential succession and the complexities of the various proposals, I have received several requests from Senators to extend the time during which this measure will be available for cosponsorship. Therefore, Mr. President, to allow Senators an additional amount of time to review this measure, I ask unanimous consent that Senate Joint Resolution 139, previously held at the desk, at my request, until December 18, 1963, be allowed to remain at the desk until January 12, 1964.

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

ADDITIONAL SPONSOR OF AMENDMENT TO SENATE BILL 1975

Mr. HART. Mr. President, on behalf of the senior Senator from Connecticut [Mr. DODD] I ask unanimous consent that the name of the junior Senator from New Hampshire [Mr. MCINTYRE] be added as a cosponsor of the amendment submitted by the Senator from Connecticut [Mr. DODD] to Senate bill 1975.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had receded from its disagreement to the amendments of the Senate numbered 30, 31, 35, 37, and 38 to the bill (H.R. 6868) making appropraitions for the Legislative Branch for the fiscal year ending June 30, 1964, and for other purposes, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 36 and 40 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 9413) to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 57) favoring the suspension of deportation of certain aliens, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore.

H.R. 4276. An act to provide for the creation of horizontal property regimes in the District of Columbia;

H.R. 6756. An act to revise the boundaries of Mesa Verde National Park, Colo., and for other purposes; and

H.R. 9140. An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1964, and for other purposes.

PRESIDENT JOHNSON'S ADDRESS AT THE UNITED NATIONS GENERAL ASSEMBLY

Mr. MANSFIELD. Mr. President, on yesterday, President Johnson appeared at the General Assembly of the United Nations. He spoke to the assembled delegations of the world's nations in words which were eloquent in simplicity, sensitivity, and sensibleness.

In the light of the recent tragedy, there was a need to reassure our neighbors on this planet that the influence of the United States would remain committed, as it was under President Kennedy, in a deep concern for the advancement of peace, human rights, and the economic and social welfare of the human race.

That reassurance has now been given by the President of the United States. He spoke to the United Nations in the language of a new administration, but in a spirit rooted in President Kennedy's policies.

Certain editorials—published in the New York Times, the Washington Post, the Baltimore Sun, and other newspapers—make clear that President Johnson's statement was an affirmation to the world that what was so well begun for peace and progress will continue, that we will move forward with any and all nations to build for peace in the many ways in which peace must be built. At the same time, these editorials also make clear that we will stand with the special relationships which link us with Western Europe so long as the Western Europeans are prepared to do the same.

I ask unanimous consent that three of 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:

[From the Washington (D.C.) Post, Dec. 18, 1963]

THE NEW ERA

President Johnson used his first appearance before the United Nations General Assembly to emphasize the continuity of the policy of this country. It was a good thing to do and his words and his act demonstrated not only American policy, but in addition the usefulness of the General Assembly as a forum, in this kind of situation.

It was clearly the object of this appearance to show that the old policies are still in effect and not to disclose new policies departing from those of his predecessor. This intention put the President into a framework that did not permit either innovation or particularization. He managed, however, to restate the purposes of this Government with force and conviction. Both his words and the serious and earnest delivery of the President must have made an impression upon an Assembly in a better position than anybody in the world to disseminate to the four quarters of the globe an estimate of the new President of the United States.

While the President was primarily concerned with making it plain that the old era goes on, he achieved, by the force and vigor of his utterance, a new emphasis on this country's concern with poverty everywhere in the world.

He did not proclaim any new policy or outline any direct measures to wage the war against want. He did not set out in detail any plan to carry to the whole world the national New Deal policy that Franklin Delano Roosevelt enunciated in the 1930's with his famous phrase about the one-third of the Nation that were "ill housed, ill clad, ill nourished." But he nonetheless left a clear impression that the evidences of poverty in many countries he visited as Vice President made a profound impression on him. And he made it evident that it is his intention to place the eradication of this kind of human misery high on his list of national objectives. If the strong words he used are followed by strong measures he will have added to "New Deal" and "New Frontier" a "New Era" in human affairs.

[From the New York Times, Dec. 18, 1963]

THE ROAD TO PEACE

At a moment when assertive nationalism is again raising its head and even old alliances begin to fray, President Johnson has issued a new call for collective international action to ease tension, to end the cold war and all war, and to fight the real enemies of man—hunger, poverty, and disease.

The President sounded his call in messages to the two principal pillars on which American policy is based—the United Nations and the North Atlantic alliance. He made it plain, first, that the policies and purposes of the United States remain unchanged; and second, that foreign policy will not be subordinated to parochial domestic concerns.

Mr. Johnson's personal appearance before the United Nations so early in his administration gave special emphasis to both points. He pledged unswerving support to the United Nations as the best instrument yet devised to promote peace and the well-being of mankind. He asked all nations to work together for a peaceful revolution—not to impose a new way of life on all—but to make the world safe for diversity under the rule of law. What particularly impressed and pleased the delegates from the new nations was his espousal of the rights of man for all men, irrespective of color, at home and abroad, and his stress on collective machinery to help the less-developed countries to build modern societies and a better world. The neo-nationalists and isolationists in Congress who would wreck the foreign aid program might well take note.

The theme of collective action and peace also ran through Mr. Johnson's message of steadfast support for the North Atlantic alliance. He stressed collective action by urging, in contrast to the views of President de Gaulle, both a united Europe and an Atlantic partnership as keys to Western security and to peace.

While the President enunciated no new policy, his vigorous reaffirmation of American determination to achieve a genuinely peaceful world—coupled with his explicit plea for an end to the cold war—can leave no doubt in Mr. Khrushchev's, or anyone else's, mind just where we stand. As Mr. Johnson said, we know what we want—and what we want is a world in which every nation can live its own life in peace, security and independence, while recognizing its interdependence with every other.

AND TO WESTERN UNITY

President Johnson's message to NATO makes it clear that West-West relations are going to get at least as much attention as East-West relations in 1964. The new President went beyond NATO's military issues to the broader political, economic and psychological problems confronted by the Atlantic world. He addressed himself briefly but eloquently to the central task we must fact if Atlantic unity is not to succumb to the nagging, low-grade fever that now is debilitating it. That task, as Dean Acheson has phrased it, is "to get the Atlantic community moving again."

Movement requires, first of all, European confidence in American purposes and perseverance. Europe has become the eastern frontier region of one Atlantic world. Nothing erodes confidence there more abrasively than querulous talk about withdrawing American troops. Such withdrawals would not reduce our involvement in Europe. They might actually increase it. And such talk, one may hope, will now be halted by the President's firm statement, going beyond Mr. Kennedy's pledge, that the six American divisions in Europe would remain "so long as they are needed." Mr. Johnson emphasized that "there is no doubt" that these forces will continue to be needed under present circumstances.

To this constancy in the American military commitment, President Johnson has added a rededication to imaginative programs designed to unite Europeans among themselves and with America for an attack on "all the great and burdensome tasks of building and defending a community of free nations." He talked of the problem of "a balanced NATO defense" by nonnuclear and nuclear forces—toward which Europeans are to contribute through an eight-nation multilateral missile fleet. He evoked "the goal of Atlantic partnership" in monetary affairs, aid to the developing areas and in trade.

The President, who hitherto had addressed himself primarily to the Nation's domestic problems, has now let it be known that he intends to move with equal authority in world affairs. His message was that despite the coming Presidential campaign, there will be no interregnum—for there can be none—in America's role in the world.

[From the Baltimore (Md.) Sun, Dec. 18, 1963]

THE JOHNSON SPEECH

Any new President of the United States must appear as soon as possible before the United Nations, to reaffirm our faith in the United Nations and restate this country's broad policy in world affairs. It is the obvious thing: it is one of the duties. When the new President has come suddenly into office, taking the place of a predecessor widely known and notably trusted, the duty becomes urgent, for it then carries with it the requirement of a special reassurance. That reassurance President Johnson provided yesterday, making clear again the fact that in the world we have no Kennedy policy and no Johnson policy—and no Eisenhower or Truman policy—but a national policy, a policy, to put it at its briefest, of peace, strength, and reasonableness.

Mr. Johnson did that yesterday, and he did more. He said what he had to say, indeed, yet said it in terms that carried his address beyond the merely dutiful and ritual. Other American Presidents, in speeches before the United Nations, have offered proposals more dramatic than any Mr. Johnson offered yesterday. None has spoken with deeper conviction, nor has any touched more intimately and surely the thinking and the aspirations of his listeners.

To proclaim that the motivations of the United States are humanitarian is one thing. To note specifically that they are is another thing, and a better. When Mr. Johnson went back into our own domestic history, and our domestic history of not so long ago, to talk of too few jobs, and inadequate housing, and insufficient food, of soil conservation and river valley development, he was talking in terms that all peoples know, and he was talking not from a lofty peak of national wealth and military might—rich and powerful though we are—but from a point of historical perspective, not in pride but in grateful humility. The United States in the thirties, Mr. Johnson said, had effected a peaceful social revolution—a rather startling word, perhaps, to some of his domestic hearers, but an accurate word, and a word sure to be noted by other nations themselves in the process, each in its own way, of social revolution, they hope peacefully.

Not only was it required that Mr. Johnson reassure the world as to the policies of his country. He had also to reassure the world about himself. In a sense he stood yesterday on trial. He was obligated to say who he was, and what he was. In our opinion his revelation of his own thinking, shown in the particular terms and form he chose for a speech he had to make, will do a good deal to inform other peoples who have been asking what the new President of the United States is like.

We in this country, who have been asking the same question in our own way, have been further instructed, too.

LIVESTOCK PRICES AND BEEF IMPORTS

Mr. CARLSON. Mr. President, the present livestock prices, and particularly fat cattle prices, are ruinous to our livestockmen.

Livestock prices are 25 percent lower than they were a year ago, and this is disastrous. Recently, Roderick Turnbull, farm editor of the Kansas City Star, wrote an article in which he called attention to the fact that livestock prices had dropped 25 percent, and suggested that a 25-percent drop in steel prices would not only cause national concern, but also would get immediate attention on the part of the Government.

I think this has merit, and urge that the Department of Agriculture and the U.S. Tariff Commission advise the President of this situation, and request him to immediately place a limitation on beef imports.

I ask unanimous consent that the article which appeared in the December 8 issue of the Kansas City Star be made a part of these remarks.

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

LIVESTOCK, ON FARM AND MARKET—CATTLEMEN BITTER AT BEEF IMPORTS

(By Roderick Turnbull)

Around the cattle pens at the stockyards the gloom is about as thick as a London fog.

The slightest effort to raise prices brings in more cattle and the price then falls lower than it was before. In such a situation pessimism flourishes and you hear the commission men, who reflect the feelings of farmers, say that things may have to get worse before they get better.

One Kansas farmer with some fat heifers ready to go, said he didn't send them to market 2 weeks ago because he hated to face the loss that he would have encountered at the prices then. Last week his losses would have been even greater.

When will the change for the better come?

The obvious answer is, when the amount of beef coming to market is sufficiently less than now to come nearer matching demand at a higher price.

No one at the yards knows when that time will be. But a lot of the cattlemen and commission men, too, believe it would arrive much sooner if something were done quickly to halt or cut down on the imports of beef coming in from Australia and New Zealand.

COMPLAINTS ARE GENERAL

It is a common thing to hear a farmer or commission man say, "You can't make me believe that imports to the extent of 10 percent of our total beef consumption don't hurt our market; I don't care what they say about the quality of the meat coming in."

"They" in this case is the Department of Agriculture which at least until recently was seeking to show that the frozen beef imported was all used as hamburger or in processed meats and did not compete with the higher quality U.S. meat. The imported meat, it was contended, was the equivalent of U.S. cow meat and cow prices, it was contended further, had not dropped as much as prices on fed beef.

But around the yards, when they are talking about beef prices 25 percent lower than a year ago, they are not inclined to be overly reasonable. They ask, what other business could take a 25-percent cut in the prices on its product and survive?

"Suppose steel prices took a drop of one-fourth, wouldn't there be a howl in this country?" one veteran commission man asked, adding, "And wouldn't the Government be doing something about it, too?"

Said another:

"If something doesn't happen to improve this market pretty soon, you're going to see a whole new crop of people in the cattle business."

All the while such conversation is going on, they all know that the cattle business will continue, that it has had its bad periods before, that many oldtimers have lived and operated through several such periods.

But that doesn't make the low prices now any more palatable. Nor does it keep the cattlemen from cussing the imports.

SNIPE AT CHAINSTORES, TOO

The chainstores come in for some words, too. Talk to farmers for awhile and likely they'll argue that they can't see where prices on beef at the store have dropped anywhere near as much as the prices on live animals in the market. They're interested in lower prices at the store, because they assume that if people would eat more beef—which presumably would be a result of lower prices—the excess beef would be used up sooner and prices would get back to the profitable level.

Farmers will agree, however, that beef consumption is pretty good right now. It will perhaps set a per capita record this year.

This question of beef imports will get a full airing at the convention of the American National Cattlemen's Association the latter part of January in Memphis. At least four experts on foreign trade in beef will be among the speakers on the program.

One commission man at the yards has it figured out that at current prices heavy feeder cattle are a better buy than the lighter kinds. He is so informing his customers. This comes about, he contends, because prices on the heavier feeder cattle have dropped more than on the light cattle. The beef a feeder buys on 800-pound cattle as compared to that on 550-pound animals costs him less than it would cost him to put the same weight on the lighter animal, he says.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1014. An act for the relief of Mrs. Joyce Mark Bouvier; and

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.

The message also announced that the House had passed the following bills and joint resolution of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

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. 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. 1838. An act for the relief of Hannah Robbins; 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."

The message further announced that the House had agreed 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. 7063) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 246) relating to the enrollment of H.R. 8667, in which it requested the concurrence of the Senate.

THE DALLAS STORY

Mr. YOUNG of Ohio. Mr. President, all Americans—indeed, people the world over—were deeply shocked by the tragic assassination of President Kennedy.

Americans will recall that only a few weeks before the assassination, Adlai Stevenson was spat upon and mauled by residents of Dallas when he spoke in that city on the 18th anniversary of the United Nations. Ambassador Stevenson strongly urged President Kennedy not to include Dallas in his Texas trip. It was in this city that the now President and First Lady were assaulted in the 1960 campaign. Mrs. Johnson's hat was nearly knocked from her head. The chief of police advised the then candidate for Vice President against walking through the lobby of a Dallas hotel. He refused saying:

The time will never come when Lyndon Johnson is afraid to walk his lady through the lobby of a Texas hotel.

John F. Kennedy now belongs to the ages—to his country always. The Special Commission appointed by the President and headed by Chief Justice Earl Warren is now at work trying to determine all the facts as to exactly what happened in Dallas. I am sure that this report will be thorough and complete.

However, no matter what rationalization is offered, Dallas is a city which fostered a climate wherein the President of the United States could be assassinated and his killer murdered in jail. Cities which tolerate this atmosphere without concern eventually must pay a heavy price for their negligence. Dallas did. Dallas does not stand alone. There are too many places in our Nation where hatred, intolerance, and extremism has been allowed to flourish uncriticized, unhampered, and unchecked. Let us hope that the terrible events at Dallas will make all of us more aware of the dangers of intolerance and hatred.

Mr. President, on December 16, in the Plain Dealer of Cleveland, one of Ohio's great newspapers and one of the great newspapers of the Nation, there appeared an editorial entitled "The Dallas Story." I commend this to my colleagues and request unanimous consent to have it printed in the RECORD.

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

THE DALLAS STORY

The Plain Dealer, through a series of on-the-scene background stories by reporter Doris O'Donnell, has painted a picture of Dallas.

No matter what rationalization is offered, Dallas is a city which fostered a climate wherein the President of the United States could be assassinated and his killer murdered in jail.

It is a city where political figures have been roughed up and spat upon, where sanctity of human life is in low esteem.

People who tolerate this atmosphere without concern, who nurture it even indirectly, are enemies of mankind. They are, no matter how they see themselves, the enemies of true freedom which has no boundaries and knows no differentiation based on race, color, religious belief, or political creed.

Dallas does not stand alone.

Medgar Evers was shot down in Jackson, Miss., by the very same hate, the very fanaticism he was seeking to remove.

But Dallas had prided itself on a self-applied reputation for freedom. It has spawned all kinds of fervent groups of political-patriotic nature. But it also gave birth to the extreme standard that a man either is a super-patriot or a Communist—using the Dallas yardstick. It gave sustenance to hate.

Good leadership might have saved Dallas.

But good leadership was not there in the period when this boiling hate, this frontier type of six-shooter justice, was permitted to expand.

The leadership could have come from an influential press but, in the case of the Dallas Morning News, this was sadly lacking. It accepted and printed malicious advertising.

With a chance to be a leader of men, the newspaper instead followed a crowd.

It has been quipped that the shot which triggered Dallas' greatest tragedy came from the left but the applause came from the right.

But being conservative, elsewhere, hasn't meant hating to the degree it has developed in Texas and environs.

It would be a wrong to condemn all Dallas for the act of one mentally deranged killer.

But there must be a vicarious guilt because the right forces were unable, either from lack of conviction or lack of effort, to dispel a sinister emotional atmosphere. It was this atmosphere the Plain Dealer has portrayed in an effort to help explain a situation which needs altering so much, and so quickly.

MEDICARE

Mr. YOUNG of Ohio. Mr. President, the Ways and Means Committee of the House of Representatives is once again hearing testimony on the late President Kennedy's proposal for medical and nursing home insurance for the elderly under social security coverage, commonly termed "medicare."

Frankly, there is no need for additional hearings. More than four volumes of testimony have already been taken by the Ways and Means Committee. New hearings will mean only additional delay. These hearings are likely to add little, if anything, to the debate on medicare which has been going on since 1960. Now, almost 3 full years later, all sides have been heard. All arguments have been made. It is time to settle down to the business of enacting this needed legislation into law.

There are more than 17 million Americans over 65 years of age, most of them less able to pay the high costs of hospital and nursing home care than they were in their younger years. One serious illness can swiftly wipe out the lifetime savings of an elderly person. Furthermore, many Americans, regardless of age, have parents or relatives who have little or no financial resources, and are likely to be ill at one time or another. These families desire—in fact find it necessary—to save for their children's education and for other necessary expenditures. If prolonged illness should afflict a parent or other elderly relative, and surgery is required, or specialized nursing home treatment, average American families should not be compelled to incur colossal debt or pay from savings accumulated for other purposes.

It is, indeed, a tragedy that here in the richest nation in the world millions of our citizens live in constant fear that their savings will be washed away by prolonged illness or injury.

It is unbelievable that many Americans spend what should be golden years in darkness and despair, and some meet tragic deaths because of disinterestedness and neglect. In Fitchville, Ohio—only 7 miles from Norwalk where I was born and reared—a fire recently destroyed the Golden Age Rest Home.

Sixty-three elderly invalids burned to death. All of these unfortunate citizens were placed in the rest home by relatives who would not or could not afford to keep them, or by a State whose officials were apparently not really concerned about them. Many were forgotten elderly men and women whose relatives did not even know they were there. With savings exhausted and heavy medical expenses these former workers, farmers, businessmen, and housewives were living in what was originally an abandoned toy factory, with cinderblock floors, wooden walls, and a tar roof. There were no fire prevention measures or protection from the raging flames which destroyed the home. In addition, inexcusable and tragic negligence resulted in an increased number of horrible deaths of many of the inmates of this rest home, so called. The locked door to the home could not be opened from the inside by elderly residents lacking the key, and they were too feeble to crash it open in this moment of terror and horror.

It is unfortunate that every time the Congress has sought to solve the problem of hospital and nursing home care for the elderly and thereby to eliminate the possibility of a tragedy such as that of Fitchville, the American public has been subjected to a barrage of high-priced propaganda designed to surround the medicare proposal with a smokescreen of misinformation. The 227 ruling members of the House of Delegates of the American Medical Association haul out their big guns and spend big money to denounce medicare as "socialized medicine." This charge is, of course, false. Nevertheless, I am sure I can safely predict that we shall hear it again shortly. It is well known that the American Medical Association maintains a powerful lobby in Washington.

I, for one, cannot take the absurd charges of the AMA too seriously, for I remember well the long list of progressive legislation which was noisily resisted by this group and tagged as "state socialism" or "socialized medicine"—social security, free diagnostic centers for persons afflicted with tuberculosis and cancer, Red Cross blood banks, voluntary health insurance, Blue Cross, and school health services.

I am reminded of a story told in my State of Ohio a few years ago, concerning one of the two applicants for welfare that year who were over 100 years of age. The man had retired at the age of 70. He ran out of money at 92. This man then went to live with his daughter, but 8 years later his son-in-law retired. There was, then, not enough money to care for both families. So the old man applied for relief at the age of 100. I suppose officials of the American Medical Association would accuse him of poor planning.

Mr. President, the American people have not swallowed the propaganda pills prescribed for them by a few political medicine men who control the American Medical Association. The majority of Americans overwhelmingly support hospital and nursing home care for the elderly under social security as the only realistic and fair means of dealing with this problem.

Programs other than that embodying the social security approach to the problem have been tried and have met with little success. One of these is the Kerr-Mills medical assistance for the aged program signed into law by President Eisenhower. It is a personal, happy recollection that my vote was cast against enactment of that bill in 1960. The fact is that not one elderly individual in my State of Ohio, as well as in 22 other States, has been even remotely aided by the operation of the Kerr-Mills Act.

Only 28 of our 50 States presently have Kerr-Mills medical assistance programs. Benefits vary widely among them. Eligibility for assistance also varies widely. Whether medical assistance will be forthcoming for the elderly citizen has become a matter of geography—a matter of where he happens to live. However, regardless of geography, every elderly person and every taxpayer pays for the Kerr-Mills program which is financed by tax dollars from general Federal revenues. Because of this, the program is supported by many citizens who can never benefit from it, as their States are nonparticipants.

In contrast to this, a social security "medicare" program would enable every citizen to receive needed assistance, regardless of where he or she lives. The program would be paid for by all participants out of their own premiums and by slightly increased payment of premiums also from employers paid into the social security trust funds during their economically productive years rather than by increased Federal spending or from general revenues.

Recent reports by individual investigatory groups have confirmed the arguments of opponents to the Kerr-Mills law as an inequitable and inadequate program. After thorough consideration, a subcommittee of the U.S. Senate Special Committee on Aging, headed by the distinguished senior Senator from Michigan [Mr. MCNAMARA], termed Kerr-Mills "ineffective and piecemeal." In addition, a lengthy study of Kerr-Mills by the New York State Department of Social Welfare concludes—

There appears little doubt that the soundest approach to providing medical care for the aged is for basic care to be covered by old-age survivors and disability insurance—social security.

Adding hospital and nursing home insurance for the elderly to the present social security system would be a simple matter. The employer and employee, by the payment of only one-quarter of 1 percent each during the time when the employee is working, would cause enough additional revenue to flow into the social security fund to keep it actuarially sound to accommodate the new program. Self-employed persons would pay three-eighths of 1 percent from their earnings. This program would be self-financing, and would protect men and women at age 65, following their retirement from employment.

Mr. President, we must be realistic and legislate in recognition of the fact that medical and surgical expenses for older people are three times the expenses incurred by those in their forties, or even those in their fifties. It is a fact that medical expenses rise sharply with increasing years. At the same time, for most people, the ability to meet them declines rapidly once they are off the payroll.

Mr. President, in view of overwhelming evidence in support of the need for hospital and nursing home care for the elderly under social security coverage, further delay on the part of the Congress is unwarranted. To satisfy the reactionary leaders of the AMA, additional hearings and additional delay may be "just what the doctor ordered." Meanwhile, the patient, so to speak, suffers. Meanwhile, elderly citizens and their relatives continue to bear the burden of huge medical costs.

Hospital and nursing home care for the elderly under social security coverage will help all of those who need help—instead of only those who are already poverty stricken. It will prevent poverty from becoming the necessary result of prolonged illness or serious accident. Unlike the Kerr-Mills program, it will be soundly financed by the earnings and savings of those who receive benefits rather than by bigger Federal spending of the taxpayers' money.

Mr. President, all Americans ask that the Ways and Means Committee this time send the medicare bill to the floor of the House of Representatives where a vote may be taken by the elected representatives of the American people. The problem of hospital and nursing home care for the elderly is of extreme importance. Neither the powerful AMA lobby, nor a single small group of legislators, should be permitted to sit in supreme judgment on this or any other issue.

No committee of the Congress should reduce itself to a permanent pigeonhole for any sound and widely supported piece of legislation. I do not ask that the members of the Ways and Means Committee report the medicare bill favorably if they do not choose to do so. I only hope they report the so-called medicare bill. Only if and when the bill is reported can definite action be taken, one way or another.

If and when a proper and representative vote on medicare is taken, I am confident that it will be passed. Medicare can and will become as much a part of the American scene as our very sound and successful social security insurance system itself.

Medicare was an issue in 1960. It was again an issue in 1962. For 1964, we do not need a medicare issue—we need a medicare program. This will be a victory for all Americans. My hope and my belief is that hospital and nursing home care for the elderly legislation will become law before this Congress adjourns. I am certain that we in the Senate have the affirmative votes to pass this needed legislation when we are given that opportunity.

INTERAGENCY COMMITTEE ON EXPORT EXPANSION

Mr. JAVITS. Mr. President, President Johnson has just issued an Executive order establishing the Interagency Committee on Export Expansion. This committee has been formed to advise the Secretary of Commerce with regard to finding means for developing and stimulating a more effective export expansion program. I believe this is all to the good.

I invite attention to the fact that I have had a bill pending since May 27 calling for exactly the same thing—for the establishment of a National Advisory Council on Export Expansion Policy and Operations, a bill which is sponsored by myself and Senators CASE, COOPER, ENGLE, HUMPHREY, KEATING, LONG of Missouri, MORSE, MOSS, SCOTT, and WILLIAMS of New Jersey.

The membership, objectives, and organization of the Council that would be provided under my bill are practically identical with that of the Interagency Committee established by the President's Executive order.

My reason for speaking today is that I believe the President should consider whether or not it would be better, nonetheless, to have the bill passed. I thoroughly join with the President in the purpose of export expansion and coordination of Government agencies charged with it.

By passing the bill the Interagency Committee provided for could have staff and might be given other authority it would not have by Executive order. It might even qualify for an independent appropriation.

I believe this matter is of such importance that it would be a mistake to sink the committee into the departmental budget of some department like the Department of Commerce. I hope very much that, notwithstanding the issuance of the Executive order, the administration will nonetheless support the bill and give such an important committee as this a statutory basis for being.

SUMMARY OF ACTIVITIES OF THE COMMITTEE ON FOREIGN RELATIONS, 88TH CONGRESS, 1ST SESSION

Mr. FULBRIGHT. Mr. President, at the conclusion of these brief remarks I shall read into the RECORD a list of treaties, bills, and resolutions approved by the Senate that were reported from the Foreign Relations Committee.

The list speaks largely for itself. Perhaps, the most unique features of this year's activities have been the thoroughness of the foreign aid bill examination and the hearings and debate on the limited nuclear test ban treaty. If I were asked to characterize the activities of the committee during this past year, I would say that it was a year of reexamining and carrying forward of established programs rather than of great innovations other than the limited test ban treaty and perhaps the coffee agreement.

The one special study carried on by the committee during this period was that of the effectiveness of the Foreign Agents Registration Act and this was brought to a successful conclusion with the introduction of strengthening amendments to this act, which the committee will consider early next year.

I take this opportunity to thank the members of the committee for their devotion to duty, their conscientiousness and perseverence. Especially without the untiring efforts of the ranking majority and minority members [Mr. SPARKMAN and Mr. HICKENLOOPER], this record would not have been possible.

TREATIES ACTED ON

First. Treaty banning nuclear weapon tests in the atmosphere, in outer space and underwater, signed at Moscow on August 5, 1963, on behalf of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics. Approved September 24, 1963, by a vote of 80 to 19.

Second. Convention between the United States of America and the United Mexican States for the solution of the problem of the Chamizal, signed at Mexico City on August 29, 1963. Approved on December 17, 1963, by a vote of 79 to 1.

Third. The International Coffee Agreement, 1962, which was opened for signature in New York on September 28, 1962, in the English, French, Russian, Spanish, and Portuguese languages, and was signed on that date in behalf of the United States of America and a number of other countries. Approved May 21, 1963, by a vote of 69 to 20.

Fourth. Consular convention between the United States of America and Korea signed at Seoul on January 8, 1963. Approved October 22, 1963, by a vote of 74 to 0.

Fifth. Protocol dated at Rome September 15, 1962, to amend the Convention on International Civil Aviation done at Chicago on December 7, 1944. Approved October 22, 1963, by a vote of 74 to 0.

Sixth. Consular convention between the United States of America and Japan, together with a protocol relating thereto, signed at Tokyo on March 22, 1963. Approved October 22, 1963, by a vote of 74 to 0.

Seventh. Convention on extradition between the United States of America and Sweden, together with a related protocol, signed at Washington on October 24, 1961. Approved October 22, 1963, by a vote of 74 to 0.

Eighth. Additional protocol to the treaty of extradition on January 13, 1961, between the United States of America and the United States of Brazil, which additional protocol was signed at Rio de Janeiro on June 18, 1962. Approved October 22, 1963, by a vote of 74 to 0.

Ninth. Convention on extradition between the Government of the United States of America and the Government of the State of Israel, signed at Washington, December 10, 1962. Approved October 22, 1963, by a vote of 74 to 0.

BILLS AND JOINT RESOLUTIONS

First. H.R. 7885, to amend further the Foreign Assistance Act of 1961, as

amended and for other purposes. Authorizes $3.6 billion for fiscal year 1964. Public Law 88–205. Approved December 16, 1963.

Second. H.R. 9009, to amend further the Peace Corps Act, as amended. Authorizes $102 million for fiscal year 1964. Public Law 88–200. Approved December 13, 1963.

Third. S. 777, to amend the Arms Control and Disarmament Act in order to increase the authorization for appropriations and to modify the personnel security procedures for contractor employees. Authorizes $20 million for 2 years. Public Law 88–186. Approved November 26, 1963.

Fourth. S. 1627, to enable the United States to contribute its share of the expenses of the International Commission for Supervision and Control of Laos (ICC) as provided in article 18 of the Protocol to the Declaration on the Neutrality of Laos. Passed Senate July 16, 1963.

Fifth. S. 1512, to authorize one additional Assistant Secretary of State, and for other purposes. Passed Senate July 16, 1963.

Sixth. H.R. 5207, to amend the Foreign Service Building Act of 1926, to authorize additional appropriations, and for other purposes and to amend the Philippine War Damage Claims Act of 1962. Public Law 88–94. Approved August 12, 1963.

Seventh. H.R. 7405, to amend the Bretton Woods Agreements Act to authorize the U.S. Governor of the International Bank for Reconstruction and Development to vote for an increase in the Bank's authorized capital stock. Public Law 88–178. Approved November 13, 1963.

Eighth. S. 2213, to provide certain basic authority for the U.S. Information Agency. Amended and passed Senate December 6, 1963.

Ninth. S. 949, to amend the United Nations Participation Act, as amended (*63 Stat. 734–736*). Amended and passed Senate December 6, 1963.

Tenth. H.R. 7044, to amend Public Law 193, 83d Congress, relating to the Corregidor-Bataan Memorial Commission. Passed Senate December 17, 1963.

Eleventh. House Joint Resolution 778, to provide for participation by the Government of the United States in the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law, and authorizing appropriations therefor. Passed Senate December 17, 1963.

Twelfth. Senate Joint Resolution 60, providing for acceptance by the United States of America of an instrument for the amendment of the constitution of the International Labor Organization. Public Law 88–65. Approved July 17, 1963.

Thirteenth. House Joint Resolution 405, to amend the joint resolution providing for U.S. participation in the International Bureau for the Protection of Industrial Property. Public Law 88–69. Approved July 19, 1963.

Fourteenth. House Joint Resolution 779, to amend the joint resolution of January 28, 1948, relating to membership and participation by the United States in the South Pacific Commission, so as to authorize certain appropriations thereunder. Amended and passed Senate December 17, 1963.

Fifteenth. Senate Joint Resolution 72, favoring the holding of the Olympic games in America in 1968. Public Law 88–124. Approved September 16, 1963.

Sixteenth. House Joint Resolution 324, extending an invitation to the International Olympic Committee to hold the 1968 winter Olympic games in the United States. Public Law 88–95. Approved August 12, 1963.

SENATE CONCURRENT RESOLUTION

Senate Concurrent Resolution 58, to print 5,000 additional copies of hearings on Executive M, 88th Congress, 1st session. House amendment agreed to by Senate on October 28, 1963.

SENATE RESOLUTIONS

First. Senate Resolution 168, accepting an invitation to attend the next general meeting of the Commonwealth Association to be held in Kuala Lumpur, Malaya. Agreed to July 11, 1963.

Second. Senate Resolution 25, authorizing the Committee on Foreign Relations to examine, investigate, and make studies of matters pertaining to the foreign policies of the United States and their administration. Agreed to March 14, 1963.

Third. Senate Resolution 26, authorizing the Committee on Foreign Relations to continue its study of the activities of nondiplomatic representatives of foreign principals. Agreed to March 14, 1963.

Fourth. Senate Resolution 152, to print as a Senate document the study entitled "Problems and Trends in Atlantic Partnership—II." Agreed to June 17, 1963.

CONFIRMATION OF NOMINATIONS

Seventy-five nominations for appointments as Ambassadors, officials in the State Department, and so forth, were confirmed as well as 1,420 nominations in the Foreign Service.

SUMMARY OF ACTIVITIES OF SENATE COMMITTEE ON ARMED SERVICES—88TH CONGRESS, 1ST SESSION

Mr. RUSSELL. Mr. President, I submit the following summary of activities of the Senate Committee on Armed Services, 88th Congress, 1st session:

Public Law 88–28, authorizing appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels for the Armed Forces. Authorizes appropriations for these purposes in the amount of $15,314,291,000.

Public Law 88–2, extending the induction provisions of the Universal Military Training and Service Act. Extends for a period of 4 years, from July 1, 1963, to July 1, 1967, the following provisions of law: first, the authority to induct persons into the Armed Forces; second, the authority to issue selective service calls for physicians and dentists and allied specialists; third, the suspension of permanent limitations on the active duty strength of the Armed Forces; fourth, the authority to pay a quarters allowance to all enlisted members of the Armed Forces with dependents, irrespective of rank, if the dependents are not furnished Government quarters; and fifth, the authority for special pay to physicians, dentists, and veterinarians.

Public Law 88–132, military pay increase. Provides increases in pay for members of the uniformed services totaling $1,213 million over a full fiscal year.

Public Law 88–174, military construction authorization, authorizes military construction and provides authorization for housing construction and maintenance in a total of $1,642,253,380.

Public Law 88–110, extension of 6-month training program. Revises, consolidates, and extends the laws under which the so-called 6-month training program and other special Reserve enlistment programs have been operated.

Public Law 88–63, improvement of promotion opportunity of Air Force officers from the grade of major to the grade of lieutenant colonel. Extends for 2 years—until June 30, 1965—temporary authority for an additional 4,000 officers in the grade of lieutenant colonel in the Air Force.

Public Law 88–77, award of medals for heroism and gallantry. Expands authority for award of the Medal of Honor, the Distinguished Service Cross, the Navy Cross, the Air Force Cross, and the Silver Star to permit award of these medals for heroism and gallantry that occur in cold war situations.

NOMINATIONS

Considered 62,026 nominations. Ten committee meetings required for consideration of civilian and military officials to statutory offices traditionally involving personal appearances by nominees before committee.

SUBCOMMITTEE ACTIVITIES

PREPAREDNESS INVESTIGATING SUBCOMMITTEE

Held hearings on Cuban military buildup, arms control, and disarmament questions, and the award of research contracts for V/TOL and S/TOL aircraft.

CENTRAL INTELLIGENCE AGENCY SUBCOMMITTEE

Performed legislative oversight over Central Intelligence Agency, and the policies and programs being carried out by that Agency under the National Security Act and the Central Intelligence Act of 1949.

NATIONAL STOCKPILE AND NAVAL PETROLEUM RESERVES SUBCOMMITTEE

Conducted study and investigation of the national stockpile and began hearings on legislative recommendations it formulated to revise and consolidate stockpile laws and to permit orderly disposal of stockpile excesses. Recommended legislation authorizing disposal of excess quantities of cadmium and waterfowl feathers and down from the national stockpile.

STATUS OF FORCES SUBCOMMITTEE

Conducted hearings and issued report on the part of the NATO Status of Forces Treaty relating to criminal jurisdiction

not waived by host countries in which U.S. forces are stationed.

OFFICER GRADE LIMITATIONS SUBCOMMITTEE

Considered reports submitted by military departments on officer grade distribution.

CIVIL DEFENSE SUBCOMMITTEE

Conducted hearings on H.R. 8200, which would authorize contributions toward cost of construction in public buildings incorporating fallout shelter space.

ACTIVITIES OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE, FIRST SESSION, 88TH CONGRESS

Mr. HILL. Mr. President, as of today, the Committee on Labor and Public Welfare and its subcommittees have conducted 137 days of public hearings and have met in executive session on 30 days. The committee has met in conference with the House 13 days. Thirty bills and four Senate resolutions have been reported by the committee.

Twelve bills reported from the committee have been enacted into law or are awaiting the President's signature. Seventeen bills reported by the committee have been passed by the Senate but not finally acted upon by the House. Two bills reported by the committee are pending on the Senate calendar. One of them, S. 2379, the arts bill, is expected to be considered by the Senate tomorrow afternoon, on December 18. One bill awaits House approval of Senate amendments.

EDUCATION SUBCOMMITTEE

H.R. 4955, expansion of vocational education, and extension of National Defense Education Act and impacted areas legislation—awaiting President's signature.

H.R. 6143, grants and loans for construction of academic facilities in institutions of higher learning—enacted into law December 16, 1963. Public Law 88–204.

S. 2265, to amend the Library Services Act in order to increase the amount of assistance and to extend such assistance to nonrural areas. Passed the Senate November 26, 1963.

HEALTH SUBCOMMITTEE

H.R. 12, construction of medical school facilities and loans to medical students—enacted into law September 24. Public Law 88–129.

S. 1576, construction of community mental health centers, mental retardation facilities and training of teachers of handicapped children. Enacted into law October 31, 1963. Public Law 88–164.

S. 2220, to encourage physicians and dentists who have received student loans under programs pursuant to title VII of the Public Health Service Act to practice their professions in areas having a shortage of physicians or dentists. Passed the Senate December 9, 1963.

Senate Joint Resolution 103, increasing the amount authorized to be appropriated for the work of the President's Committee on Employment of the Physically Handicapped. Passed the Senate November 20, 1963.

LABOR SUBCOMMITTEE

S. 910, equal pay for women. Enacted into law June 10—Public Law 88–38.

MIGRATORY LABOR SUBCOMMITTEE

S. 521, educational opportunities for migrant workers and children. Passed the Senate June 10.

S. 522, day care for migrant children. Passed the Senate June 10.

S. 523, extending child labor provisions of FLSA to children in agriculture. Passed the Senate June 11.

S. 524, crew leader registration. Passed the Senate June 11.

S. 525, National Advisory Council on Migratory Labor. Passed the Senate June 10.

S. 526, sanitation facilities for migrant workers. Passed the Senate June 10.

NATIONAL SERVICE CORPS SUBCOMMITTEE

S. 1321, creating a National Service Corps. Passed the Senate August 14.

VETERANS' SUBCOMMITTEE

S. 5, cold war GI bill, reported from committee July 2.

S. 625, hospital care for veterans in Alaska and Hawaii. Passed the Senate June 19.

S. 330, extending authority of State approval agencies under war orphans educational assistance program. Enacted into law September 23—Public Law 88–126.

H.R. 249, extending program of grants to the Philippines for certain veterans. Enacted into law June 13—Public Law 88–40.

H.R. 4549, relating to employment of chief medical director in the VA. Enacted into law May 8—Public Law 88–18.

H.R. 242, veterans waiver of indebtedness. Enacted into law October 17—Public Law 88–151.

S. 384, amending Sailors' and Soldiers' Civil Relief Act. Passed the Senate May 28.

S. 449, automobiles for disabled veterans. Passed the Senate May 28.

S. 2064, to relieve the Veterans' Administration from paying interest on the amount of capital funds transferred from the direct loan revolving fund to the loan guarantee revolving fund.

H.R. 5691, to allot the Administrator of Veterans' Affairs to delegate to the chief medical director authority to act upon recommendations of disciplinary boards.

RAILROAD RETIREMENT

S. 729, amending the Railroad Retirement Act and related statutes. H.R. 8100 passed in lieu thereof, enacted into law October 5—Public Law 88–133.

EMPLOYMENT AND MANPOWER SUBCOMMITTEE

S. 1, Youth Conservation Corps and youth employment. Passed the Senate April 10, 1963.

S. 1967, extending the Juvenile Delinquency Act. Passed the Senate September 25.

H.R. 8720, amending and expanding the Manpower Development and Training Act. The Senate agreed to the House amendments on December 13 in lieu of the provisions of S. 1716 and S. 1831, which passed the Senate on September 4 and September 6, respectively. The bill is awaiting the President's signature.

Nation's manpower revolution—no specific bill—hearings begun May 20, extending until December 5, on 49 days.

NOMINATIONS

Fourteen major nominations were reported by the committee, all of which were confirmed by the Senate.

LIST OF MEASURES FAVORABLY REPORTED TO THE SENATE BY THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY—88TH CONGRESS, 1ST SESSION

Mr. ELLENDER. Mr. President, during the 1st session of the 88th Congress, the Senate Committee on Agriculture and Forestry reported 20 bills as shown on the attached list.

Twenty-two days of hearings have been held in connection with these and other bills being studied by the committee. We considered and reported 6 nominations and approved approximately 25 watershed projects.

A number of bills are pending before the committee which may receive early consideration during the second session beginning in January 1964.

The list is as follows:

SENATE BILLS AND JOINT RESOLUTIONS

S. 51, partially retrocedes jurisdiction over the Pole Mountain district of the Medicine Bow National Forest. Referred to House Committee on Agriculture June 26, 1963.

S. 277, increases number of new counties in which crop insurance may be offered each year from 100 to 150. Referred to House Committee on Agriculture August 28, 1963.

S. 400, provides penalties for misuse of feed made available to relieve distress or preserve foundation herds. Referred to House Committee on Agriculture June 26, 1963.

S. 581, extends for 2 years the authority for leasing tobacco acreage allotments. Approved July 19, 1963—Public Law 88–68.

S. 582, extends for 2 years the exemption of "boiled peanuts" from marketing quotas. Approved July 19, 1963—Public Law 88–76.

S. 623, provides for payments to assist agricultural producers in Alaska to carry out farmland development measures. Referred to House Committee on Agriculture June 26, 1963.

S. 692, authorizes establishment of an agricultural program for Guam. Referred to House Committee on Agriculture December 9, 1963.

S. 762, provides for increased 1963 wheat acreage allotments in Tulelake area of California. Approved July 17, 1963—Public Law 88–64.

S. 1388, extends Cache National Forest to include lands in and near the Pineview Reservoir site, Weber Basin project. Approved August 19, 1963—Public Law 88–99.

S. 1588, authorizes extension of conservation reserve contracts through 1965, and increases annual limit on cropland

conversion program to $20 million. Referred to House Committee on Agriculture October 14, 1963.

S. 1604, permits rice producer withdrawing from rice production to transfer his production history for allotment purposes without transferring his land. Passed Senate July 22, 1963.

S. 1605, amends Federal Insecticide, Fungicide, and Rodenticide Act to abolish registration under protest and permit registration number to be shown on label. Referred to House Committee on Agriculture October 23, 1963.

S. 1703 extends Mexican farm labor program 1 year. Approved December 13, 1963—Public Law 88–203.

S. 1915, makes it clear that Secretary of Agriculture may provide for allotments under milk marketing orders so that instead of receiving a uniform blend price, producers will receive a higher return on allotment milk and a lower return on excess milk. Referred to House Committee on Agriculture October 14, 1963.

S. 2218, transfers 360 acres from the Department of Agriculture to the Department of the Interior for the Foothills Parkway. Referred to House Committee on Agriculture December 9, 1963.

HOUSE BILLS AND JOINT RESOLUTIONS

H.R. 40, provides for grants for the construction of research facilities at State agricultural experiment stations. Approved July 22, 1963—Public Law 88–74.

H.R. 4997, extends the 1963 feed grain program through 1965. Approved May 20, 1963—Public Law 87–26.

H.R. 5067, permits limited transfers of 1963 cotton acreage allotments which could not be planted because of natural disasters. Committee was discharged from further consideration of this bill on the day after the day it was referred to the committee. Approved April 26, 1963—Public Law 88–12.

H.R. 5860, amends the Packers and Stockyards Act of 1921 to permit deductions for promotion and research activities. Approved July 8, 1963—Public Law 88–61.

House Joint Resolution 192, validates certain rice acreage allotments for 1962 and earlier years. Approved October 28, 1963—Public Law 88–160.

House Joint Resolution 403, extended time for filing of leases of 1963 tobacco acreage allotments until 20 days after its enactment. Approved July 30, 1963—Public Law 88–80.

ACTIVITIES OF THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. McCLELLAN. Mr. President, during the 1st session of the 88th Congress, the Committee on Government Operations has reported 27 bills and resolutions, all of which have been approved by the Senate. Of these, six are presently pending in the House.

Two of the latter bills are of major importance.

S. 537, proposing the creation of a Joint Committee on the Budget, which was reported unanimously by the committee on April 15, and passed the Senate without opposition on May 20, 1963. It was then referred to the House Committee on Rules, where no action has been taken. The purpose of this bill is to provide the Congress with the machinery necessary to enable it to meet its constitutional responsibilities in connection with the appropriation of funds required for the conduct of the Federal Government. The bill, if enacted, would accomplish this objective by establishing a Joint Committee on the Budget, composed of members of the Senate and House Appropriations Committees, which would assist the Congress in exercising adequate control over the expenditure of public funds by the executive branch of the Government.

S. 537 is designed to provide the same kind of expert staff facilities and detailed technical information for the Appropriations Committees of the Congress, on a 12-month basis, as the Bureau of the Budget provides for the executive branch. Precedent for this action is found in the Joint Committee on Internal Revenue Taxation which has provided joint expert staff facilities and technical information for the revenue committees of both Houses of the Congress for more than a quarter of a century.

The enactment of this bill would, in my opinion, provide a method of expediting action on appropriation bills and permit the Congress to authorize the funds necessary for the efficient operation of the Government at the beginning of the fiscal year; thus avoiding the delays that have developed in the present Congress.

Another important bill, S. 816, provides for the establishment of a Commission on Science and Technology. This bill was reported by the committee on March 4, 1963, and passed the Senate on March 8 without opposition. The objective of the bill is to provide for the creation of a Hoover-type commission composed of members of the legislative and executive branches, imminent scientists and engineers, and other outstanding experts in the field of science and techology, in order that a complete study might be made of all phases of the scientific and technological activities of the Government, with a directive to submit appropriate recommendations to the Congress and the President for the reorganization of existing agencies, with the objective of properly coordinating and effecting efficiency and economy in the operations of Federal research and development programs.

S. 816 was referred to the House Committee on Science and Astronautics on March 11 where no action has been taken. The ranking minority member, Representative OLIN E. TEAGUE of Texas, also introduced a companion measure in the House which is also pending before that committee.

In addition to the bills reported by the committee, extensive hearings have been held either by the full committee or by one of its subcommittees, which cover matters of major importance, such as S. 815, adjustment of legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes; S. 855, to provide for more effective utilization of certain Federal grants by encouraging coordinated local review of State and local applications for grants; S. 2114, to provide for periodic review of Federal grants-in-aid to States and local units of government; H.R. 4638, to promote the orderly transfer of Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President; and providing further controls over Government competition with private enterprise.

The committee expects to give consideration to these bills in the next session of the Congress, as well as to a number of other bills proposing amendments to the Federal Property and Administrative Services Act; the further extension of the Reorganization Act of 1949; a number of bills relating to the disposal of surplus Federal property for public purposes, including Ellis Island and Mitchel Field, in New York, and various properties in other sections of the United States; and for the coordinating and promotion of efficient leasing and maintenance of automatic data processing equipment by Federal departments and agencies.

Where hearings have not yet been held, such as on the last named proposal (H.R. 5171) and the extension of the Reorganization Act, it will be necessary for the committee to hold rather extensive hearings in view of the interest that has been manifested.

In connection with its consideration of legislation pending before it, the committee, including its subcommittees, has issued a number of special reports on "A Joint Committee on the Budget," Senate Report No. 141; "The Authority of the Senate to Originate Appropriation Bills," Senate Document No. 17; "Establishment of a Commission on Science and Technology," Senate Report No. 16; "Government Competition With Private Enterprise," committee print; "Federal Disaster Relief Manual," committee print; and others relating to intergovernmental relations; national security; staffing procedures and problems; the Ambassador and the problem of coordination; drug research and regulations; and U.S. foreign aid in the Middle East and Africa.

The committee has also given consideration to 96 separate proposals submitted to it by the General Services Administration for the disposal of surplus property by negotiated sale, 236 audit and other reports forwarded to the Congress by the Comptroller General of the United States, and to 40 other executive communications referred to the committee.

BANKING AND CURRENCY COMMITTEE ACTIVITIES IN 1963

Mr. ROBERTSON. Mr. President, the Banking and Currency Committee has been active during the 1st session of the 88th Congress. The committee and its subcommittees have held hearings on 51 days involving 26 bills and 4 nomi-

nations. Twenty-four bills have been reported, of which 12 have become law. One of the remaining bills, S. 2310, Senator MUNDT'S bill to prohibit Government guarantees of credit on sales to Russia, was finally acted on when the Senate tabled it on November 26, 1963. One—S. 2228, relating to annual meetings of national banks—passed the House on December 17 and will undoubtedly become law within the next few days. The 10 remaining bills are pending in the House.

In addition, it is perhaps appropriate to mention that the members of the committee have considered the proposed 50 cent pieces to commemorate the late President Kennedy, and have come to the conclusion that the House bill H.R. 9413 should be considered today and acted on by the Senate, without formal reference to the committee.

The bills the Banking and Currency Committee has handled include several major proposals. Among those which became law were S. 874, now Public Law 88–102, authorizing the construction of much needed mint facilities to relieve the shortage of coins; H.R. 5389, which became Public Law 88–36, repealing the Silver Purchase Acts and the related tax on transfers of silver bullion; and H.R. 3872, which became Public Law 88–101, the Export-Import Bank Act extension.

The committee has also acted on a number of major pieces of legislation which have not yet become law—S. 6, the proposed Urban Mass Transportation Act, which passed the Senate April 4, 1963; S. 1163, proposed amendments to the Area Redevelopment Act, which passed the Senate June 26; S. 1642, the legislative proposals of the Securities and Exchange Commission, which passed the Senate July 30; and S. 298, proposed amendments to the Small Business Investment Act, and S. 1309, proposed amendments to the Small Business Act, both of which passed the Senate on November 21.

The committee and its subcommittees have held hearings on a number of bills which have not been reported, including hearings in New York, Pittsburgh, Louisville, and Boston on S. 750, Senator DOUGLAS' bill to require disclosure of finance charges. Other hearings in this category included hearings on proposed secondary market mechanisms for conventional mortgages, housing for domestic farm labor, housing for the elderly, payment of claims for defects in FHA-insured homes, and a proposed International Home Loan Bank.

Among the nominations considered by the committee were those of Philip N. Brownstein to be Federal Housing Commissioner, John Prior Lewis to be a member of the Council of Economic Advisers, Manuel Frederick Cohen to be a member of the Securities and Exchange Commission, John E. Horne to be a member of the Federal Home Loan Bank Board, Eugene P. Foley to be Administrator of the Small Business Administration, and J. Dewey Daane to be a member of the Board of Governors of the Federal Reserve System.

BILL NUMBER, DESCRIPTION, AND FINAL ACTION (DECEMBER 18, 1963)

S. 6, Urban Mass Transportation Act of 1963, Senate Report No. 82; passed Senate April 4, 1963.

S. 874, additional mint facilities, Senate Report No. 163; Public Law 88–102.

H.R. 5389, repealing certain legislation relating to the purchase of silver, Senate Report No. 175; Public Law 88–36.

S. 1163, Area Redevelopment Act Amendments, 1963, Senate Report No. 250; passed Senate June 26, 1963.

H.R. 3872, Export-Import Bank Act Extension, Senate Report No. 262; Public Law 88–101.

S. 1125, Nevada 100th Anniversary Medal, Senate Report No. 290; Public Law 88–147.

S. 743, Padre Junipero Serra 250th Anniversary Medal, Senate Report No. 291; Public Law 88–143.

House Joint Resolution 467, 2-year extension of FHA section 221 mortgage insurance authority, Senate Report No. 304; Public Law 88–54.

S. 879, Battle of Lake Erie 150th Anniversary Medal, Senate Report No. 314; passed Senate June 27, 1963.

S. 1642, Securities and Exchange Commission Legislation, 1963, Senate Report No. 379; passed Senate July 30, 1963.

S. 1952, extension of authority to insure mortgages under sections 809 and 810 of the National Housing Act, Senate Report No. 487; Public Law 88–127.

H.R. 772, transfer of certain property purchased for low-rent housing project in Detroit, Mich., Senate Report No. 508; Public Law 88–141.

H.R. 4842, amendments to the Federal Credit Union Act, Senate Report No. 509; Public Law 88–150.

House Joint Resolution 724, housing for the elderly, Senate Report No. 561; Public Law 88–158.

S. 2228, annual meetings of national banks, Senate Report No. 622; passed Senate November 5, 1963; passed House December 17, 1963.

S. 1241, annual reports under the RFC Liquidation Act, Senate Report No. 628; passed Senate November 5, 1963.

H.R. 3488, Indiana statehood commemorative medals, Senate Report No. 630; Public Law 88–184.

H.R. 7193, ILGWU Health Center 50th anniversary medals, Senate Report 631; Public Law 88–185.

S. 2079, New York Historic Shrine Medals, Senate Report No. 633; passed Senate November 8, 1963.

S. 2032, study of Federal financial assistance to victims of flood disasters, Senate Report No. 634; passed Senate November 8, 1963.

S. 298, Small Business Investment Act Amendments of 1963, Senate Report No. 639; passed Senate November 21, 1963.

S. 1309, Small Business Act Amendments, Senate Report No. 640; passed Senate November 21, 1963.

Senate Joint Resolution 129, additional funds for section 702 programs-reserve of planned public works, Senate Report No. 643; passed Senate November 19, 1963.

S. 2310, Government guarantees of credit, Senate Report No. 659; tabled by Senate November 26, 1963.

SPACE COMMITTEE'S ACTIVITIES, 1ST SESSION, 88TH CONGRESS

Mr. ANDERSON. Mr. President, there has been much carping this year about the manner in which the Congress has proceeded to carry out its responsibilities. Many sources have indicated that the Congress has been lax in its duties and unproductive. I agree with our esteemed majority leader in that the record of the 88th Congress, 1st session, will speak for itself.

Many people have the mistaken opinion that all of the work of the Senate is carried out on the Senate floor. Those who are informed realize that this is far from being the case and that much of the work of the legislative branch is carried on through its committee actions.

I would, therefore, like to take this opportunity to briefly set forth the activities of the Committee on Aeronautical and Space Sciences, of which I am the chairman, during this calendar year.

The committee was chaired during the 87th Congress by Senator Robert S. Kerr, of Oklahoma. Due to the unfortunate and untimely death of this truly great Senator on January 1, 1963, the committee was not formally organized until I was appointed chairman on February 25. During this period, however, committee business did not lie dormant. Members were concerned with the numerous reprograming letters by NASA and therefore an informal committee meeting was called on January 24 and the Administrator of NASA, with other members of his staff, appeared to explain the reasons for the numerous reprograming actions initiated by NASA prior to the convening of the 88th Congress. The staff of the committee was busily engaged in compiling much of the information relative to NASA's reprograming activities for the benefit of the committee members and all of NASA's reprograming actions subsequent to 1961 were analyzed. At the same time the staff was busy analyzing NASA's budget request for fiscal 1964.

Also prior to my appointment, in order to comply with the timetable for the Rules Committee of the Senate relative to the special resolutions, Senate Resolution 74, authorizing the committee to make a study of matters pertaining to aeronautical and space activities of Federal departments and agencies, was introduced by Senator RUSSELL and myself on January 28. Shortly after my appointment, the committee formally met in executive session on February 28 and unanimously agreed to favorably report out the resolution with amendments. I appeared before the Rules Committee early in March to justify this request and the Rules Committee on March 6 favorably reported the resolution. The resolution was thereafter agreed to by the Senate on March 14, 1963.

On March 19, 1963, the committee met to consider the nominees of the President as incorporators of the Communications Satellite Corporation. The committee reported these nominations favorably and defended then on the floor on April 24 and 25. The nominations were subsequently confirmed by the Senate on April 25.

On April 1, Senator SMITH, the ranking minority member of the committee, and I, introduced by request, NASA's budget request for the authorization of appropriations for fiscal year 1964. This request was for $5,712 million, which was almost double NASA's request for fiscal 1963, and the committee felt that exhaustive hearings were necessary in order to carefully anlayze NASA's needs. Furthermore, for the first time questions were being raised with respect to the administration's policy in pursuing a vigorous and heavily funded space program primarily directed toward a lunar landing and return. The committee recognized that with a budget request of this magnitude it was literally impossible to go into detail with respect to each individually funded item. While it carefully analyzed NASA's needs and questioned NASA's programs in detail, major emphasis was placed upon the managerial aspects of NASA's programs and the submission of detailed information on NASA's programs and projects. The committee was especially interested in establishing procedures whereby NASA informed the committee prior to any changes intended in its programs and plans. To this end additional restrictive requirements were placed in the Authorization Act so that the committee could be kept currently informed on programmatic changes made by NASA.

The committee held open hearings on the scientific and technical aspects of NASA's programs on April 24, 25, 26, 29, and 30. These hearings were then edited, bound, and made available to the committee for analysis during the next month. Because of questions raised as to the relative scientific value of NASA's programs, the committee on June 10 and 11 held open hearings and testimony was received from ranking scientists relative to the goals of the Nation's space programs. While there was, of course, some divergence of opinion I believe that the net result of these comments was favorable to the manner in which our space programs are being conducted.

On June 12, 13, 17, and 18 further hearings on NASA's authorization were held with the major emphasis placed on program detail. The committee was aware of comments made with respect to the balance between military and civilian space programs and on June 14 held executive and classified hearings during which time classified testimony was received from the Department of Defense on various aspects of the military space program.

After an opportunity to again analyze the testimony received by the committee, it met in executive session for markup of the NASA authorization on July 17, 18, 23, 24, 25, and on August 1. On August 2 the committee reported out its bill as an amendment to H.R. 7500, which had been passed by the other body. The bill was debated on the Senate floor during the first week in August and was finally passed on August 9. Conferees were appointed and met on August 23 to resolve the difference between the House and Senate versions. Agreements were accomplished and on August 26 a conference report was submitted authorizing a total of $5,350,820,400. The conference report was approved on August 28.

NASA's appropriation is contained in the Independent Offices Appropriation Act and members of the committee participated with the Senate Appropriations Committee in connection with such appropriation. Hearings were held by the Senate Appropriations Committee during October and the Independent Offices Appropriation Act was reported out on November 13. This act was debated on the floor during the week of November 18 and subsequently passed, appropriating a total of $5,100 million. The conference report on this act was submitted and adopted during the week of the 9th of December.

During the hearings on NASA's appropriation, considerable attention was paid to NASA's university grant program, both as to its scope and the manner in which it fitted into the Government's policy on aid to education. Due to this interest, the committee held hearings on November 21 and 22 on NASA's university grant program and the manner in which it was coordinated with the overall educational programs of the Government. Because of the sustained interest in this program, the committee expects to hold further hearings during the next calendar year in order to keep currently informed.

During the calendar year 1963 the staff of the committee was kept busily engaged in performing services for the committee in connection with its numerous activities. A large part of the time of the staff was taken up analyzing NASA's budget request for fiscal 1964. Various members of the staff have visited each of NASA's facilities in order to be currently informed on NASA's activities for fiscal year 1964 and also to acquaint themselves with NASA's needs and requirements in connection with its fiscal 1965 budget request. The committee has also been extremely interested in the international aspects of space and NASA's participation. Procedures have been developed under which NASA keeps the committee completely informed of its international activities. The committee has also contacted the Secretary of State in an effort to establish a workable procedure whereby State Department activities are made available so that the committee can keep informed on this important aspect of space.

During the calendar year the staff of the committee prepared a Senate report on all of the astronauts selected for the space program, both civilian and military. The staff is also coordinating with the Library of Congress a comprehensive report on the international aspects of outer space which should be available early in 1964.

The committee, as I have mentioned previously, is interested in any change in scope of NASA's plans and programs and has written in more restrictive provisions relative to reprograming in NASA's 1964 Authorization Act. Because of this further requirement the committee is now engaged in establishing a mechanism whereby it and the staff can be kept currently informed on any prospective future program changes by NASA even before such program changes requests are made formally by NASA. In order to keep currently informed of NASA's activities, the staff is in almost daily contact with various headquarters elements of NASA.

Mr. President, I have only recounted in skeleton form the activities of the committee during the past year, but I feel that it at least gives proper emphasis to the manner in which much of the work of the Senate is carried on. When one recognizes that this is merely one of many committees of the Senate it perhaps gives a little better picture of the amount of time which committee members give to their legislative responsibilities.

ACTIVITIES OF THE COMMITTEE ON PUBLIC WORKS

Mr. MCNAMARA. Mr. President, in the 9½ months since the Senate organized in February 1963—the Senate Committee on Public Works has reported 34 bills and resolutions, 20 of which have become law. This bare statistical analysis, however, hardly indicates the extent of the committee's work.

At the beginning of the session, four major legislative tasks faced the committee.

We had to consider major proposals with far-reaching effect on water pollution and air pollution. We had a substantial river basin bill to study, and we had a highly technical, if not major, omnibus highway bill.

We completed our work on all four of these measures.

To accomplish this, we held 11 days of hearings, 12 days of executive sessions, and produced two major staff studies, and a 30-minute filmed report on water pollution.

All told, the committee held 25 days of public hearings on all its measures considered. Four substantial staff studies were printed, two of which went out of print within 2 months as a result of heavy demand. These two were the air and water pollution studies.

In addition to the major bills—the committee considered legislation in the field of rivers and harbors—which may not have been big money bills or had a wide geographic effect, but which were major to the people affected and needed careful consideration before reporting.

The committee also considered prospectuses for 215 buildings at an estimated value of $343,169,900, and 12 proposals for watershed development at a total of $45,721,535.

The committee considered and reported a bill to change the Beach Erosion Board of the Corps of Engineers into a research program. It authorized construction of bank protection in West Virginia and modified a flood control project in Illinois.

Another bill reported by the committee defines the interest of local public agencies in Federal reservoirs to which the local agencies contributed financing.

Our river basin bill provided 2 years of continued authorization on 11 major river systems, and authorized new starts on 6 other projects.

Our road legislation included continuing control of outdoor advertising, changing the dates of fixing apportionment, increasing the percentage that can be allocated to engineering, extending the period of planning, and authorizing development at the State level.

Hearings have been begun on bills to extend the Accelerated Public Works Act.

The Subcommittee on Public Buildings and Grounds held hearings on a bill authorizing construction of a residence for pages. Prior to final action, the matter has been referred to the Committee on Rules and Administration for a policy determination.

Our final action of this session has been the consideration of changing the name of the Cultural Center as a memorial to the late President, John F. Kennedy, and authorizing Federal funds so that the memorial may be rapidly built. The measure has been reported and is on the Senate Calendar.

In short, Mr. President, the Committee on Public Works has completed all the work it set out to do when the session began.

All members of the committee—on both sides of thc aisle—have been most cooperative in seeing that the committee completed its tasks.

I would especially like to thank Senator RANDOLPH, chairman of the Subcommittee on Roads; Senator YOUNG of Ohio, chairman of the Subcommittee on Buildings and Grounds; and Senator MUSKIE, chairman of the Special Subcommittee on Air and Water Pollution, for the expeditious manner in which they carried out the business of their subcommittees.

ACTIVITIES OF SENATE COMMITTEE ON COMMERCE, 88TH CONGRESS, 1ST SESSION

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], I desire to submit a report on the activities of the Senate Committee on Commerce during the 88th Congress, 1st session.

Mr. President, the workload and accomplishments of the Senate Committee on Commerce thus far in the 1st session of the 88th Congress has been of major proportions. This is evident from a glance at the following computations:

Bills—Senate and House—and resolutions referred to committee, 215.

Bills upon which the committee held hearings, 66.

Number of days of hearings, 155.

Hearings on nominations, 19.

Bills reported, 38.

Bills passed by the Senate, 35.

Bills that have become public laws, 14.

Bills and subjects upon which hearings have begun and are still open:

S. 774, quality stabilization.

S. 1975 and S. 2324, firearms control.

S. 222, jurisdictional disputes in maritime industry.

S. 1161, repeal of section 13(a) of Interstate Commerce Act.

S. 1250 and S. 1251, use of pesticides.

Subject and study: Great Lakes-St. Lawrence Seaway.

A clearer understanding of the committee's efforts this past year is afforded by a brief analysis of the committee's handling of legislative proposals in the major areas of its jurisdiction.

AVIATION

The committe favorably reported and the Senate passed on August 26, S. 1153, a bill to amend the Federal Airport Act. The bill would extend the Federal aid to airport program for an additional 3 years, expiring June 30, 1967. The total authorization would amount to $225 million for the 3-year period with $75 million available annually. Aside from extending the program an additional 3 years, the committee amended the act in only one significant respect; namely, it included a provision requiring the Administrator of the Federal Aviation Agency to satisfy himself that reasonable effort, including enactment of zoning laws, has been made to restrict the use of land adjacent to airports so as to make it compatible with the operation of the airport.

As a result of the international fare controversy of last summer and threats by foreign countries to ground U.S. aircraft, the committee conducted hearings on S. 1539 and S. 1540, bills to amend the Federal Aviation Act so as to provide for regulation of rates and practices of U.S. and foreign air carriers in foreign air transportation. The Committee reported and the Senate acted favorably on S. 1540, proposed by the administration, which gives the Civil Aeronautics Board discretionary authority to prescribe rates and practices and to suspend tariffs in international air transportation to and from the United States under the same standards now applicable in interstate transportation. It would empower the Board to require just and reasonable rates and practices in foreign air transportation.

Extensive hearings were conducted by the Aviation Subcommittee on the proposed U.S. commercial supersonic aircraft development program. All aspects of this program were thoroughly reviewed, including its feasibility, economics, and willingness on the part of industry to financially participate in the program. The committee may conduct further hearings with regard to specific legislation authorizing Federal participation in this program.

The subcommittee also considered a number of aviation bills of a strictly technical or clarifying nature upon which it expects to act early in the next session of Congress. As a result of the decision of the Civil Aeronautics Board not to renew the authority of Northeast Airlines to operate south of New York, many congressional leaders expressed the view that air service to New England might be adversely affected. Consequently, the committee held several days of hearings to determine means of insuring adequate and continued air service in the New England area.

COMMUNICATIONS

When the Congress enacted the Communications Satellite Act of 1962, it provided guidelines and criteria that were designed to meet the objectives set forth by the President of the United States for U.S. participation in a global communications system. The Senate Committee on Commerce at the time this legislation was being considered, indicated that it would follow the implementation of the legislation very closely. Consequently, hearings were held by the Subcommittee on Communications in February 1963, at which progress reports were received from various agencies and common carriers involved in this program. In addition, hearings were held on the confirmation of the 14 incorporators selected by the President to serve as directors of the Communications Satellite Corporation. The policies of this organization, as they were then being developed, were carefully set forth in a public record.

Progress reports were received from various Government agencies with regard to the important Administrative Radio Conference that took place in Geneva, Switzerland, in October 1963. This Conference concerned negotiations regarding the allocation of frequencies among foreign countries, particularly as they apply to space communications and radio astronomy. The Conference was completed in November 1963, and the treaty resulting therefrom was recently submitted to the Senate for ratification.

After extensive hearings and debate in the 87th Congress, S. 205, the so-called educational television bill, was enacted. It provides for the further utilization of television facilities in our public schools and colleges. The committee held a hearing to receive a progress report from the FCC in February 1963, at which time the entire subject of educational television was explored.

An extensive hearing was held in February 1963, regarding the procedures and manner in which the FCC was regulating interstate telephone rates.

Hearings were conducted by the committee on the nominations of two persons who became FCC Commissioners. During these hearings the committee explored various policies and problems, such as allocation of television channels, overcommercialization, community antenna services, boosters, and so forth.

The committee also held extended hearings regarding political broadcasting and reported favorably House Resolution 247, which suspended section 315 of the Communications Act so as to permit debates by the presidential and vice-presidential candidates in the 1964 campaign. The Senate passed this measure on October 2, 1963.

In addition, hearings were held on S. 708, a bill that would provide that the FCC, in considering applications made by any person for any construction permit or station license or any modification thereof, may not weigh as a factor that the applicant is a Member of Congress or that any Member of Congress has a direct or indirect pecuniary interest in the application.

S. 920, a bill that would permit alien amateur radio operators to operate in the United States if there is an agreement between the United States and the alien's government for such operation by U.S. amateurs in that country, was reported by the committee and passed on October 16, 1963, by the Senate.

S. 1005 was requested by the FCC to authorize that Commission to grant special temporary authorization for a period of 60 days for certain nonbroadcast operations. At present, paragraph 2(g) of subsection (c) of section 309 of the Communications Act exempts from the public notice a 30-day waiting period requirement of subsection 309(b) its applications for a special temporary authorization for nonbroadcast operations not to exceed 30 days where no application for regular operation is to be filed or pending the filing of an application for such regular operation. This bill was also passed by the Senate pursuant to the committee's recommendation.

Hearings were also held on S. 1193, a bill that would require petitions for intervention in FCC proceedings that have been designated for hearing be filed not more than 30 days after notice of the hearing in the Federal Register. This bill passed the Senate on September 25, 1963.

A review and complete evaluation of the allocation of frequencies must be made and the committee has been in constant contact with the appropriate agencies in an effort to work out the necessary guidelines and criteria. This work is continuing.

This committee has been interested also in advertising practices and the efforts of the Government in this area. Conferences with the appropriate agencies and industry representatives have been held and are continuing in an effort to work out established procedures.

MERCHANT MARINE AND FISHERIES

A total of 33 bills were assigned to the Subcommittee on Merchant Marine and Fisheries, 18 of which were subjects of committee hearings.

Twenty bills were reported to the full committee, of which 19 have received Senate approval, 1 is pending, and 10 have become public law.

In the field of ship operation, bills were approved by the full committee and the Senate as follows: First, removing certain restrictions on war-risk insurance coverage of subsidy built vessels; second, governing payment of excess costs resulting from allocation by the United States of vessel construction contracts for reasons of defense; third, adjusting the rate of recapture of construction subsidy for domestic operation; fourth, Jones Act amendments to permit use of non-U.S. vessels temporarily for lumber shipments in Puerto Rico; and, fifth, to provide for exemption of certain terminal lease penalties.

A series of hearings were initiated, and will be resumed in January, on bills to aid domestic shipping, and to help resolve costly interunion maritime disputes. The committee's study of cargo preference administration was brought up to date.

Important Coast Guard bills given Committee and Senate approval included first, revised promotion and retirement provisions affecting officers, and revision of enlisted men's retirement provisions; second, regulations for preventing collisions at sea; exemptions from rules of navigation on inland waters, and revised rules on anchor lights and fog signals. H.R. 79 (S. 82), which requires approval by this committee of certain Coast Guard appropriations, was enacted into law pursuant to the recommendation of the Committee on Commerce.

Other bills handled covered Coast and Geodetic Survey retirees' rights; the status of professional nurses aboard passenger vessels, and extension of time for commitment of vessel construction funds, and for review of dual-rate agreements by the Federal Maritime Commission.

The Senate Commerce Committee reported favorably and the Senate passed this session four important legislative proposals to assist the U.S. fisheries. Early in this session the Senate passed S. 978, which restored to self-employed fishermen the eligibility for medical care under the Public Health Service. In July the Senate passed S. 627, which establishes a new program of assistance to State commercial fishery development and authorizes an expenditure of $28,250,000 over a 5-year period. On October 1 the Senate passed S. 1988, which prohibits foreign fishing vessels from operating within the territorial waters of the United States or from taking Continental Shelf fishing resources belonging to the United States. On October 2 the Senate passed S. 1006, a bill extending and expanding the present subsidy program of fishing vessel construction and authorizes an annual appropriation of $10 million. In addition the Senate added fish products to the food-for-peace program in an amendment to the foreign aid authorization and as a substitute for S. 702, which was before the Commerce Committee. Hearings were concluded on S. 744 which would authorize the construction of two experimental stern ramp trawlers, and on S. 1135, which would clarify the bargaining status of fishermen's organizations. S. 1250 and S. 1251, which concerned the effect of the use of pesticides and insecticides on commercial fisheries, were also the subjects of committee hearings.

SURFACE TRANSPORTATION

The railroad work rules dispute threatened essential transportation services of the Nation. Because all procedures for resolving such dispute provided for in the Railway Labor Act had been exhausted without settlement, it became necessary for Congress to consider emergency measures.

The President in his message to the Congress relative to the railroad-labor dispute pointed out that the Nation was on the brink of a nationwide rail strike which would, in very short order, create widespread economic chaos and distress. The cost to the national interest of an extended nationwide rail strike would be clearly intolerable, and the President stated that no responsible government could accept the present situation with complacency. In this century, because in the past both sides have recognized the serious consequences involved, there have been only two brief national rail strikes. Confronted with this extraordinary situation, the executive branch having exhausted all statutory and other tools available, the President called upon Congress to enact recommended legislation.

To avoid delay in reporting from the subcommittee to the full committee, the hearings were held in the first instance before the full committee. Over 9 days of public hearings, including many night sessions, and a number of executive sessions, were held on the measure proposed by the President. The committee reported favorably Senate Joint Resolution 102, which provided means for the settlement of this dispute and averted a nationwide rail strike. This measure was enacted as Public Law 88–108.

The Surface Transportation Subcommittee during this session held 19 days of hearings on S. 1061, and S. 1062. These two bills were introduced to implement the President's transportation message. S. 1061 would exempt certain carriers from minimum rate regulation in the transportation of bulk commodities, agricultural and fishery products, and passengers. S. 1062, often referred to as the Transportation Act of 1963, is designed to strengthen and improve the national transportation system.

The subcommittee also undertook consideration of various bills to provide assistance for urban mass transportation. Testimony was received by the subcommittee during 4 days of hearings on all bills touching this subject, including S. 6, introduced by Senator WILLIAMS of New Jersey for himself and 23 Senators; S. 807, introduced by Senator LAUSCHE on behalf of 3 other Senators; and S. 917, introduced by Senator WILLIAMS at the request of the administration. The Urban Mass Transportation Act of 1963 reported favorably by the subcommittee and the full committee was passed by the Senate. In addition, the subcommittee also held 1 day of hearings on S. 1161, to amend Section 13(a) of the Interstate Commerce Act, and 2 days of hearings on S. 1063, to insure the adequacy of the national railroad freight car supply.

Because of the demand placed on the time of the members of the subcommittee by the railroad work rules dispute, and S. 1732, the public accommodations bill, it was not possible for the subcommittee to complete its consideration of all measures concerning the Nation's transportation needs prior to adjournment.

OTHER MAJOR AREAS OF COMMITTEE ACTIVITY

In addition to the committee work outlined above, the Commerce Committee has engaged in extensive consideration of legislation outside the areas above defined.

Public accommodations bill: The committee held 23 separate hearing sessions hearing 40 witnesses, and held numerous executive meetings to complete consider-

ation of a bill to prevent public establishments, labor unions, and professional organizations affecting interstate commerce from discriminating on account of race, color, religion, or national origin. Hearings ran from July 1 to August 2 of this year, and on October 8 the committee voted 14 to 3 to report favorably S. 1732, as amended, to the Senate. This report has not yet been filed due to the pendency of the omnibus civil rights bill in the House of Representatives. The report will be filed when such action is cleared by the Democratic leadership.

Sale of firearms in interstate commerce: The committee commenced hearings December 13, 1963, on S. 1975 and S. 2345, bills to amend the Federal Firearms Act to provide additional control over the sale of firearms in interstate commerce. Hearings are being continued this week, and will resume again in January 1964.

Uniform time legislation: The committee favorably reported S. 1033, as amended. This bill is designed to modernize and overhaul the 45-year-old Standard Time Act, and to achieve a greater uniformity and consistency in timekeeping practices across the Nation. The bill provides that time zones established by the ICC would be binding on all common carriers in interstate commerce, and would thus encourage States and local units of government to conform to the federally set time standards.

Great Lakes-St. Lawrence Seaway: A special subcommittee to study transportation on the Great Lakes-St. Lawrence Seaway was appointed by Chairman MAGNUSON. This subcommittee is studying the present status of transportation in this area, with a view to learning its achievements, its problems, and the needed remedies. Two days of hearings have been held, and additional hearings are scheduled beginning in January of 1964.

Quality stabilization: Six days of hearings have been thus far held on S. 774, commonly referred to as the quality stabilization bill, by a special subcommittee appointed by the chairman. Additional hearings are planned for early in the next session.

SUMMARY

In summary, 1963 has been a year of accomplishment for this committee. This is so whether its efforts be measured by the quantity of legislation it has studied, or by the complexity and importance of those measures. In addition, this year has seen the completion of study in many areas affecting this Nation's economy, thus enabling the committee to be fully informed for consideration of several legislative proposals in executive session early in 1964.

ACTIVITIES AND ACCOMPLISHMENTS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I am pleased to submit for the RECORD a summary of the activities and accomplishments of the Committee on Interior and Insular Affairs during this session.

This year has marked my first session as chairman of the Interior and Insular Affairs Committee, and I am deeply indebted to my colleagues who serve with me. We have enjoyed what I believe to be a fine spirit of cooperation from all members without partisan considerations. I especially want to thank the chairmen of the five subcommittees who have acted with care on legislation that fell within their jurisdiction, while at the same time gave prompt attention to our committee program.

Mr. President, I want to say that our committee has received at every step complete cooperation from the leadership of the Senate on both sides of the aisle. If our program has been successful, it is in no small part due to the help and advice we have received from the majority leader, Senator MANSFIELD. No single individual has been of more assistance. I also want to express the appreciation of the committee to our colleagues on the minority side who have helped to expedite our legislative program.

In view of the fact that Senator MANSFIELD placed in the CONGRESSIONAL RECORD of December 16 a complete summary in detail of the legislative accomplishments in this session, I will not elaborate on all of the measures our committee has considered and acted on.

Let me say briefly that I believe our committee has a primary, although not exclusive, duty to oversee the proper development and utilization of our Nation's natural resources. This is a tremendous responsibility, and much of the country's future will depend on how we meet it. I am thankful that the people of the United States give every indication of realizing the importance of the full and complete development and advancement of knowledge of our land, water, mineral, and recreational resources. In the face of our ever growing population and requirements for these resources, this national awareness of the necessity for the proper conservation and wise utilization of our resources will make our future tasks, although difficult, much more rewarding.

Now I would like to summarize briefly some of the major legislative highlights accomplished by our committee.

The 1st session of the 88th Congress has been a very productive one from the standpoint of the Committee on Interior and Insular Affairs. There has been a total of 52 Senate bills reported from our committee and passed by the Senate. Thirty-six House bills have also been reported and passed. We have acted favorably on six Senate resolutions. There have been a total of 40 public laws and 8 private laws which have been enacted this year after having originated in our committee.

RESOURCES GENERAL

In the field of water resources perhaps the single most important legislative accomplishment of our committee has been the reporting and subsequent passage by the Senate of S. 2, the water resources research bill. This legislation will establish water resource research centers at land-grant colleges and State universities and is intended to stimulate water research at other colleges, universities, and centers of competence. Most importantly, if enacted, this program will promote and coordinate more adequate national activity in water research.

Another measure of major significance in the field of water resources is S. 1111, the River Basin Planning Act. The goal of this legislation is to help the States and the Federal Government provide for the maximum development of our water resources through coordinated planning and by the establishment of river basin commissions throughout the land where they are necessary, and to establish a Cabinet-level Water Resources Council. This bill has passed the Senate and is now pending in the House of Representatives.

Again this year, the Senate Interior Committee reported S. 4, the wilderness bill, and the Senate adopted it. This bill has as its purpose the establishment of a national system of wilderness preservation. We are hopeful that during this Congress we will be successful in finally enacting this much-needed legislation.

Early this year we reported and the Senate passed S. 20, the Organic Recreation Act. This bill is intended to promote the coordination and development of effective Federal and State programs relating to outdoor recreation. This measure became Public Law 88–29, and it gives a statutory authority for the activity of the Bureau of Outdoor Recreation in the Department of the Interior. It is expected that the committee will tackle the companion bill, the land and water conservation fund proposal, early in the 2d session of the 88th Congress.

Another important measure which has passed the Senate is S. 1007, a bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. This legislation passed the Senate last April. It has been in a conference with the House of Representatives. We are hopeful of early enactment in the 2d session of the 88th Congress.

INDIAN AFFAIRS

Perhaps the most significant legislation affecting Indian affairs was the passage of S. 1049, the heirship bill which was reported from our committee. Senator FRANK CHURCH, chairman of the Subcommittee on Indian Affairs, has worked long and diligently in an effort to solve this problem of Indian heirship lands. We are hopeful that the bill the Senate has passed is a long step in the right direction. This measure is now pending in the House of Representatives.

Another proposal of importance to Indians concerns the bill authorizing the Secretary of the Interior to make loans to finance the testimony of expert witnesses who testify before the Indian Claims Commission. This legislation is important to facilitate the work and eliminate backlog of the Indian Claims Commission.

We also reported legislation amending the act of August 3, 1956, relating to adult Indian vocational training. We have expanded this program which has proved to be one of great importance to our Indian citizens. This bill, S. 1868, with House amendments, has been sent to the President.

To help meet the need for economic development on reservations, the Senate passed S. 48, to amend the Indian Long-Term Leasing Act by extending the maximum term to 55 years instead of 50. This amendment will facilitate loans to developers for construction and improvements on reservations.

More than 20 bills donating Federal lands to tribes, or amending existing law to improve administration of Indian affairs, were passed in this session of the Congress.

PUBLIC LANDS AND RECREATION

Probably in no other area has our committee been more successful than in the consideration of bills relating to the establishment of national parks and recreational areas. The committee has reported four bills which would provide for major additions to the national park system. The Senate has passed three of these bills. They include S. 16, establishing the Ozark National Rivers in the State of Missouri. This is the first time that the unique concept of a national river area has been introduced to our national park system.

We have also passed S. 27, a bill to establish the Canyonlands National Park in the State of Utah.

We approved legislation to consolidate the Vicksburg National Military Park in Mississippi by adjusting the boundary line. This was necessary to provide for the installation of a park tour road at this park and to permit the orderly growth of the city of Vicksburg.

An adjustment of boundaries at the Carlsbad Caverns National Park, permitting exchange of lands with the State and consolidation of the Federal holdings for better management, was approved.

The committee reported and the Senate passed a bill to provide a statutory basis for the administration of the Lake Mead National Recreation Area in Arizona and Nevada. This is a new classification of a national park component and it is likely that many more recreational areas will be established in the future.

The committee has reported to the Senate S. 792, a bill to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore. This legislation will establish an area near a large center of population where the public may forever have access to a national lakeshore for recreational purposes.

We have also reported a bill to establish the Oregon Dunes National Seashore. This legislation is in line with the three national seashores established in the 87th Congress at Cape Cod, Point Reyes, and at Padre Island. The Oregon Dunes bill is now pending on the Senate Calendar.

Numerous other bills relating to the administration of our national park system were acted upon by our committee this year. In addition, it is our intention to take up early in the next session measures dealing with the establishment of the Indiana Dunes Lakeshore, Fire Island National Seashore in New York, Tocks Island National Recreation Area in Pennsylvania and New York, and other proposed areas of national significance.

TERRITORIES

One of the most important bills enacted during this session of Congress affecting our offshore territories was H.R. 6225, Public Law 88–170, authorizing up to $45 million in loans and grants to help Guam finance public works and community development projects. The need for the legislation arose because of a devastating typhoon which struck the island in November 1962, causing millions of dollars in damage to public and private property.

A second bill, H.R. 6841, Public Law 88–171, authorized the Territory of Guam to create a public agency empowered to carry on urban renewal and housing activities and to participate in Federal programs in this field. This legislation is supplemental to that authorizing the rehabilitation program.

To assist the Virgin Islands in financing a number of vital projects, Congress enacted H.R. 1989, Public Law 88–180, which reinstates the authority of the local government to issue general obligation bonds for schools, firehouses, slum clearance, water systems, et cetera.

Questions have been raised in recent years about the political future of the island of Puerto Rico. H.R. 5945 was introduced, providing for the settlement in a democratic manner of the island's political future. The Senate and House amended the bill providing for the creation of a Commission to study all factors relating to the relationship between the United States and Puerto Rico. The Commission will submit a report no later than the opening of the 2d session of the 89th Congress, containing findings and recommendations. Senate amendments to H.R. 5945 have not been agreed to by the House.

Public Law 88–183 authorizes the Secretary of the Interior to convey certain tracts of submerged lands surrounding the territories of Guam, the Virgin Islands, and American Samoa, upon request of the respective Governors, when the lands are required for a specific economic development or to satisfy a compelling public need, and grants these governments concurrent jurisdiction over persons found, acts performed, and offenses committed on lands which are owned, controlled, or reserved by the United States in and around these islands.

MINERAL RESOURCES

After consideration of the President's Study Commission and Attorney General's reports, the committee approved and the Senate passed Senate Joint Resolution 33, granting consent for an extension of 4 years of the interstate compact to conserve oil and gas. This became Public Law 88–115.

The committee also reported S. 1534, a bill designed to bring stability to the domestic lead-zinc industry for both domestic producers and for refiners through a quota system based on domestic production and consumption. In accordance with the unanimous consent agreement, the measure was referred to the Committee on Finance. All segments of the domestic lead-zinc industry support this measure, one of the first on which producers and refiners have been in agreement.

In addition, the committee initiated studies for formulation of national policies to stimulate and expand our domestic minerals industries with emphasis on increased discovery and production. Hearings are planned for early in the 2d session of the 88th Congress.

SUBCOMMITTEE ON IRRIGATION AND RECLAMATION

Senate 1111, the Water Resources Planning Act of 1963, originated in the Irrigation and Reclamation Subcommittee. In addition to authorizing establishment of river basin planning commissions to plan the optimum development of water and related land resources in the Nation, the bill would establish a Federal Water Resources Council composed of four Cabinet members and the Chairman of the Federal Power Commission, and authorize a 10-year program of aid to States for water resources planning by the States.

This measure, originally proposed by the late President John F. Kennedy, has been under study and refinement for 3 years and completed Senate action to implement the major recommendations of the Senate Select Committee on National Water Resources.

A major irrigation project, the Dixie project in Utah, was handled by the subcommittee and subsequently approved by the Senate. Hearings were also held on three others, the large Garrison diversion project in North Dakota, the central Arizona project, and the Auburn-Folsom project, South Unit, in California's Central Valley. Final action on these projects will come in 1964.

The Small Reclamation Projects Act of 1956, with 6 years of successful operation as a guide, was revised to meet current needs in S. 283, passed by the Senate, and reclamation law was amended to make the cost of preliminary studies of projects nonreimbursable, in accordance with the standard practice in other agencies.

A fruitful experiment in water conservation through phreatophyte control in the Pecos River Basin was authorized to be continued in Senate-approved Senate Joint Resolution 49.

Extension of the Department of Interior's Federal power marketing operations to include Falcon Dam on the Rio Grande was approved in S. 851, passed by the Senate.

A number of amendments and adjustments in reclamation project acts were processed, including amendment of the Klamath Reclamation Project Act to promote the conservation of wildlife resources in the Pacific flyway in the Tule Lake, Lower Klamath, Upper Klamath, and Clear Lake National Wildlife Refuges.

REPORT OF THE COMMITTEE ON THE JUDICIARY, U.S. SENATE

Mr. EASTLAND. Mr. President, during the 1st session of the 88th Congress, the Committee on the Judiciary has approved and reported 38 nominations, which are as follows:

U.S. district judges, 11.

U.S. circuit judges, 4.

Associate judge of Court of Customs and Patent Appeals, 1.

Assistant Attorneys General, 2.

U.S. attorneys, 5.

U.S. marshals, 7.

Board of Parole, members, 2.

Subversive Activities Control Board, members, 2.

Examiner in Chief, Patent Office, 1.

Foreign Claims Settlement Commission, members, 3.

A number of the general bills approved and reported by the Committee on the Judiciary are as follows:

S. 603, relating to the appointment of the Director and Associate Director of the Federal Bureau of Investigation.

S. 741, to amend title 18, United States Code, to prohibit schemes in interstate or foreign commerce to influence by bribery the outcome of sporting contests, and for other purposes.

S. 979, to amend section 332 of title 28, United States Code, in order to provide for the inclusion of a district judge or judges on the judicial council of each circuit.

S. 1057, to promote the cause of criminal justice by providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the United States—public defender.

S. 1319, to amend chapter 35, title 18, United States Code, with respect to the escape or attempted escape of juvenile delinquents.

S. 1451, to amend section 41(a) of the Trading With the Enemy Act.

S. 1466, to provide for the right of persons to be represented by attorneys in matters before Federal agencies.

S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States, and for other purposes.

S. 1832, granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes.

H.R. 1049, to amend sections 334, 367, and 369 of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 355 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI—arrangement—proceeding to the time prescribed by section 57n of the Bankruptcy Act (11 U.S.C. 93n).

H.R. 1709, to establish a Federal commission on the disposition of Alcatraz Island.

H.R. 2833, to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceedings—attorney fees.

H.R. 2835, to clarify the status of circuit and district judges retired from regular active service.

H.R. 2837, to amend further section 11 of the Federal Register Act (44 U.S.C. 311).

H.R. 2842, to amend section 3238 of title 18, United States Code—venue of prosecution.

H.R. 2845, to provide that the district courts shall be always open for certain purposes, to abolish terms of court and to regulate the sessions of the courts for transacting judicial business.

H.R. 2849, to amend section 47 of the Bankruptcy Act.

H.R. 2985, to amend section 1391 of title 28 of the United States Code, relating to venue generally.

H.R. 4157, to enact part II of the District of Columbia Code, entitled "Judiciary and Judicial Procedure," codifying the general and permanent laws relating to the judiciary and judicial procedure of the District of Columbia.

H.R. 4374, to proclaim Sir Winston Churchill an honorary citizen of the United States of America.

H.R. 4715, to incorporate the Eleanor Roosevelt Memorial Foundation, Inc.

In addition to the foregoing, the committee approved and reported other general legislation as well as 177 private immigration bills and 72 private claim bills.

NATIONAL GALLERY OF ART SHOWS "MODERNS"

Mr. JAVITS. Mr. President, I invite the attention of my colleagues to a very important breakthrough in the field of art and culture, which seems to be having some attention at long last, and which should have more, by reason of the fact that the citadel of Renaissance and other representative art of an established character, the National Gallery of Art in Washington, is now exhibiting "moderns."

The Modern Art Museum of New York, which will be closed for 5 months for repairs, has loaned 153 paintings to the National Gallery of Art in Washington. These paintings represent the most outstanding examples of modern masters of the arts—Rousseau, Matisse, Braque, Picasso, Max Weber, Kandinsky, Pollock, Motherwell, and de Kooning among them.

There was once a time, when this issue was raised—and I raised it in the other body—when it was considered a laughing matter, or someone would try to present as subversive or Communist propaganda the discussion of an art gallery. So it is with great pleasure and pride that I see the recognition which is now accorded to the works of the modern masters.

I hope very much that my colleagues will visit this exhibit. I believe they will find it stimulating and provocative. I assure Senators that they will not be bitten by any bug of subversion or radicalism. On the contrary, they will see provocative, exciting modern minds in action, developing a culture of which, three or four centuries from now, our people, after we leave them, will be as proud as we are today of Rembrandt, El Greco, and the great artists of the Renaissance.

I hope very much that this great cooperation between the National Gallery of Art in Washington and the Modern Art Museum of New York will be consummated by the honor of receiving, as viewers of this great collection, Members of Congress and governmental officials.

I ask unanimous consent that the article on this subject published in the New York Times of this morning may be printed in the RECORD.

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

CAPITAL GALLERY SHOWS MODERNS—NEW YORK MUSEUM LENDS 153 LANDMARK PAINTINGS

(By Henry Raymont)

WASHINGTON, December 17.—The National Gallery of Art opened its doors today to the most comprehensive collection of modern art ever shown in the Capital.

The collection is composed of 153 paintings from the Museum of Modern Art in New York, all of them well-known landmarks in the development of painting schools and "isms." It ranges from the French impressionism of the 1880's to American pop art.

Among the masterpieces lent by the New York gallery, which is closed for 5 months for expansion are some of the outstanding works of Rousseau, Matisse, Braque, Picasso, Max Weber Kandinsky, Pollock, Motherwell and de Kooning.

The paintings, representing 122 artists from 25 countries, were selected by Alfred H. Barr, Jr., director of collections of the Museum of Modern Art. It offered to Washingtonians the first broad, representative survey of modern and contemportary art.

KNOWN FOR OTHER PERIODS

The National Gallery, famous for its collection of Rennaissance. barque and roccoco paints, has only sporadically exhibited modern works, which it has felt belong more properly in the newer, private galleries of the Capital.

John Walker, the director of the National Gallery, noted with shy amusement that only a decade ago many of the paintings he will exhibit for the next 3 months would have been considered too shocking and unorthodox for the National Gallery.

Although the visiting collection was historic on many counts, the exhibition opened without any special ceremonies.

A gala opening planned for last night was canceled because of the month-long period of mourning for President Kennedy. Mrs. Kennedy, Members of Congress, diplomats and many of the artists whose works are on display, were to have attended.

Gallery officials estimate that 500,000 persons will view the exhibition before it closes on March 22. Many tourists, especially high school and college students who stream to the capital during the Christmas vacation, are expected to visit the gallery especially for the visiting collection.

Mr. Walker appraises the importance of the modern art show both in symbolic and practical terms.

Symbolically, he said, it signifies a breakthrough in the usually staid policies of Federal agencies toward new, controversial art works. The National Gallery, although heavily endowed by private sources, falls under the jurisdiction of the Smithsonian Institution, which also operates the Museum of Natural History, the Washington Zoo and the Canal Zone Biological Area.

In practical terms, the exhibition is expected to attract the general public as well as the more sophisticated art lovers and thus help develop new tastes and wider interests in contemporary works.

Mr. Walker, an intense, silver-haired man who has been head of the National Gallery since July, 1956, is a stanch advocate of the modern art movement.

When the Museum of Modern Art closed for remodeling Mr. Walker saw the possibility of hanging in the National Gallery "a representative selection from perhaps the most comprehensive international collection of contemporary paintings in the world."

There was quite a problem in logistics. Since some spectacular thefts of art treasures, museums have become as security conscious as some of the most sensitive Government agencies here.

The Museum of Modern Art entrusted its shipments to the Seven Santani Bros., a trucking firm in New York. Museum officials would not disclose the insurance value of the paintings, but it was known to total many millions.

The paintings were brought to Washington in three separate trips. In each case, the trucks left New York at 2 a.m. to avoid traffic.

"There has been absolutely no damage or deterioration as a result of the trip," Mr. Walker said today with a reassuring smile.

COMMITTEE MEETINGS DURING SENATE MORNING SESSIONS ON THURSDAY, DECEMBER 19, 1963, AND FRIDAY, DECEMBER 20, 1963

Mr. MANSFIELD. Mr. President, in view of the strong possibility that the Senate will meet early tomorrow, I ask uanimous consent that all committees may be authorized to meet during the morning tomorrow and Friday.

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

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 10 a.m. tomorrow morning.

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

THE TAX BILL NEEDS TO BE REVAMPED AND IMPROVED TO CARRY OUT PRESIDENT JOHNSON'S PURPOSES

Mr. GRUENING. Mr. President, early in the next session of this Congress we shall be debating on the floor of the Senate one of the most significant pieces of legislation destined to be enacted in the foreseeable future. I refer to H.R. 8363, the general tax revision bill now under deliberation in the Senate Finance Committee.

We are all concerned that this Congress enact measures to cure the serious malaise in our economic system which finds our country burdened with an unemployment rate of 5.9 percent—today, more than 4 million of our employable citizens are unemployed and without work. We all know we must act to rescue our economy from the doldrums in which we now find ourselves, with our gross national product decreasing while in other countries of the world—Germany, Japan, France, Italy—there has been an astonishing growth of production, with concomitant benefit to the citizenry. Our rival for world power, the Soviet Union, also is increasing its wealth through ever more concentrated production of goods, with corresponding strengthening of its position in the world.

For all these reasons we understand the importance of enacting legislation that will give our economy a shot in the arm.

The bill that will be before us shortly has been proposed as a means of using tax policy in a highly sophisticated manner to relieve the distress of economy, to stimulate investment of capital, to produce more jobs, to increase the income of our citizens through general stimulus of our productive capacity; thus, culminating in an increase in revenues to the Federal Government.

The economic objectives of H.R. 8363 are well conceived, and without doubt, must be achieved by this and such other means as are available. The wise use of taxes as a tool to repair the segments of our economic system now working poorly is commendable, and is certainly a very important attack on the problems we face.

My study of the matter, however, leads me to question whether the particular tool of tax reform represented by H.R. 8363 is properly designed to accomplish the repair job before us.

As passed by the House of Representatives, H.R. 8363 is designed to revise our tax structure primarily by decreasing the effective rate of taxation at the highest levels of income. The theory of this, as I understand it, is that it is in the upper brackets of earnings that an increase in disposable income will provide the greatest stimulus to the economy.

Before it is too late, I believe serious attention should be given to the views of such distinguished economists as Leon Keyserling, and to spokesmen for organized labor, whose view it is that the approach of H.R. 8363 will not accomplish the desired result.

It is the opinion of many of us that the premise on which H.R. 8363 is based is in error. It is our view that, in fact, the stimulus needed by our economy can come only if there is additional income available to those of our society who are not in the highest income brackets. I believe the proposition can be defended that the highest percentage of consumer spending in relation to income is that of individuals in the middle and lower income brackets. People in high income brackets whose income is augmented by such means as are proposed in H.R. 8363 are far more likely to save their money, place it in relatively nonproductive investments—in terms of accelerating consumer demand for goods—or otherwise use the increased funds at their disposal in ways that are contrary to the objectives of H.R. 8363.

On the other hand, additional income to individuals in the lower income brackets will almost certainly be spent for consumer goods—for better food, a better dwelling, more clothing, and, where possible, for luxuries, theater tickets, a trip to a resort, and long-deferred purchases never accessible before. To me, the logic of increasing the money available for expenditure by those who will spend it as a means of accelerating the economy is unassailable.

Therefore, I believe it is a grave weakness of H.R. 8363, as it stands now, that the important tax benefits it will bring are concentrated in the highest income brackets.

An analysis of a table appearing in the Senate Finance Committee's description of H.R. 8363, as passed by the House—page 2—shows graphically that for calendar year 1965, after allowing large percentage decreases in tax rates in the very lowest income brackets—$500 to $2,000—the rate of decrease of tax declines from 20 percent in the $1,500 to $2,000 bracket to 13.6 percent at the $200 to $4,000 bracket.

In the middle income brackets—from $10,000 to $25,000—the rate of tax benefit in 1965 declines steeply, beginning to rise again at the $50,000 level. For taxpayers at the $200,000 income level, the percentage saving in taxes over present rates is at a rate of 23 percent, as compared with a 15.8-percent saving to a taxpayer at the $10,000 level.

It seems to me this is a mistaken way of improving our sick economy through the use of tax policy.

In his testimony before the Senate Finance Committee, Mr. Leon Keyserling pointed out that, of the proposed tax cut of approximately $11 billion, which is the objective of H.R. 8363, some $4 billion, representing about 45 percent of proposed personal tax cuts, is allocated to taxpayers with incomes of $10,000 or more per annum, which group represents but 12½ percent of all taxpayers. It is Mr. Keyserling's view and that of the AFL–CIO that a far greater percentage of the personal tax cuts proposed should be allocated to those in the lower income brackets, a view with which I am in agreement.

While there are many aspects of the tax bill that I believe should be improved to insure that its benefits accrue to those who need it most, I believe there is particular merit in revamping the proposals of the measure with respect to personal income tax deductions. I believe the legislation should be redrawn to allow a much higher percentage of decrease in taxes at the lowest and middle income levels, thus truly freeing money for investment in consumer goods and stimulating our sluggish economy.

To accomplish this, I would suggest the Finance Committee give careful consideration to the following possible changes in the bill:

First. A complete revision of the tax rates to accomplish a meaningful redistribution of the tax burden. The effective rate of tax at the lower and middle income brackets should be adjusted to maximize the benefits of the bill at these levels. At the same time, the rate of tax on higher incomes could, I believe, be increased substantially over that now proposed without impairing the purposes of the bill.

Taxpayers in higher income brackets are able to avail themselves of tax-saving devices implicit in almost every section

of the Internal Revenue Code which are not available to individuals earning at a lower rate. Attention has been repeatedly drawn by other Members of this body to the so-called tax loopholes—tax credits, deductions, allowances, conversion of income to capital gains, and other tax advantages which can only be employed by those of large means. It is no secret that the statutory tax rate loses meaning as applied to those in the higher brackets whose actual taxes are often far less, proportionately, than those of low-income taxpayers.

Thus, I believe the rates of taxation as set out in the bill can be readjusted so there is no actual loss of revenue beyond that contemplated and so the benefits will be spread more equitably.

Second. Especially for taxpayers in the lowest income brackets there would be a significant benefit derived from increasing personal exemptions. While this is of relative unimportance to an individual in the $50,000 income bracket, the allowance of an additional $1,000 in exemptions to the head of a household in the $10,000 income range would be of sufficient significance to allow expenditure of income otherwise taxed for such items as college education for a child, purchase of a new refrigerator, a new car, or some long coveted luxury.

Third. Another means of accomplishing the objective I believe is intended by H.R. 8363, but which I do not believe it will achieve in its present form, would be by an increase in the minimum standard deductions. This is a remedy that presents tax relief almost exclusively for taxpayers in the lowest income brackets who do not use the long form of tax return and who find an advantage in the standard deduction over itemization of deductions. Again, it is the low- and middle-income taxpayer who is least able to take advantage of highly beneficial tax deduction provisions of the Internal Revenue Code.

I would, then, urge my colleagues on the Finance Committee to give careful consideration to these provisions with the view in mind of revising the measure now before them so it will accomplish the objectives it is intended to accomplish.

Meanwhile, I believe we must not lose sight of the fact the underlying cause of the economic depression with which we are confronted is, basically, a failure in our system to maintain a sufficiently high rate of employment. Unemployment is our most serious domestic problem. The enactment of a skillfully designed tax bill will help solve this problem. But, there is still need for enlightened expenditure of public funds that will put our people to work. The unemployment problem is one that must be attacked on all fronts. H.R. 8363 is but one way of curing our economic diseases. All the other tools of public spending for public works, the availability of increased educational opportunities, and imaginative stimulation of our industrial plant must be put to work.

It is my hope that, in the next session of this Congress, we shall see the enactment of all the measures that are needed to make this land prosperous and strong.

Now that Members of Congress are planning to go home for Christmas where they will have an opportunity to discuss with their friends the great measures which are to be enacted at the next session of Congress, I suggest there will be excellent opportunities to explain, where this is required, the significance of the pending tax reform bill and enlighten the citizenry as to its effect. The people of the United States who pay taxes are most immediately concerned that any tax bill enacted is equable and that it will, in fact, improve our economy. I urge Members of this body to take the opportunity now presented to them to discuss the pending tax legislation with the home folks.

Recently I inserted, following some remarks on the need of improving the current version of the tax bill, an article by T.R.B. from the New Republic, and one by Stewart Alsop from the Saturday Evening Post. The latter, in particular, exploded the myth that under the existing tax legislation the wealthy were heavily taxed. He proved that quite the contrary was the case. He repeats this in another article in the current issue appropriately entitled "More on the Great Tax Myth." I recommend its reading and ask unanimous consent that it be printed at the conclusion of my remarks.

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

MORE ON THE GREAT TAX MYTH

(By Stewart Alsop)

WASHINGTON.—BARRY GOLDWATER has said that the progressive income tax ought to be abolished. Like most of the rest of us, he is doubtless unaware that above a certain level it has already been abolished.

As previously reported in this space, a Treasury analysis showed that the lucky fellow with an income of a million dollars a year typically pays a smaller percentage of his income than a man with a twentieth of his income. But the million-dollar-a-year man, according to a second analysis by the same authoritative source, pays a higher percentage of his income than those even richer. In short, while almost everybody assumes that our income tax system is steeply progressive, the percentage of income paid in taxes actually tends to decrease as income increases in the highest brackets.

This second Treasury analysis concerns itself with the taxes paid by a happy band of exactly 1,002 persons. These are the persons who, in the year 1959, reported adjusted gross incomes (incomes after business and other deductions) of more than $500,000 a year. Actually, there are many more than 1,002 people with that kind of real income. Since income from many State and municipal bonds is free of Federal tax and need not even be reported, most very rich people have a high proportion of their capital invested in them.

For this reason the officially reported percentages of real income paid in Federal taxes are certainly on the low side. In certain cases, however, they could not be lower, since according to the Treasury analysis there were 20 very rich people who paid no income taxes at all. The distribution of these nonpaying rich is interesting.

There were 529 people who reported incomes ranging between $500,000 and $750,000 a year. Of these relatively poverty-stricken citizens, a mere three—a fraction of 1 percent—paid no income tax at all. Four of the 529—no doubt they made the mistake of earning taxable income—paid at the highest rate, between 80 and 85 percent.

There were 19 Americans with incomes of more than $5 million a year. Among the lucky 19, 5, or more than 25 percent, paid no income tax at all. None of the 19 paid in the 80- to 85-percent bracket. Only one paid more than 70 percent on his income. (Perhaps that one, whoever he may be, will read this report, recognize himself and growl at his secretary, "Get my damn tax lawyer on the telephone.") Of the 19 richest of the rich, 12 paid less than 50 percent of their income in taxes.

Most people suppose that taxes in the really high brackets are confiscatory. But is a tax of less than 50 percent on an annual income of $5 million really confiscatory?

The word is certainly accurately applied to the 8 people—8 among the whole happy band of 1,002—who paid more than 80 percent of their income to the Government. It is accurately applied to the 54 citizens who paid 70 to 80 percent, probably even to the 89 who paid more than 60 percent. But considering how much the other 851 citizens had left after taxes, below the 60 percent level, the tears of sympathy turn somewhat crocodilian.

How do 20 very rich people manage to avoid paying any income tax at all, and stay out of jail? Alas, the answer, as supplied by reputable tax lawyers, is above the head of a mere political reporter. The answer has to do with something called the "Philadelphia-nun" ruling. It seems a goodhearted Philadelphia nun liked to give away all her income every year. To help the kindly lady, a tax ruling was made which permits a person who gives the equivalent of his or her entire taxable income to charity in 8 years out of 10, to avoid paying all Federal income taxes in those years. For complex reasons, the very rich can save very large sums in taxes by giving to charity, from properties which have greatly increased in value, sums equal to their annual income. In other words, if your taxable income is $1 million, and you also provide a hospital with a long-held piece of land now valued at a million dollars, your tax bill is zero. That, at any rate, is what the tax lawyers say.

There are numerous other devices which make it possible for people who derive very big incomes from capital to avoid the taxes which those who earn their money must pay. This may sound outrageous. A person with a moderate income who discovers that he is paying more taxes than someone with an income 100 times as big is tempted to man the barricades and call for revolution.

This reaction is irrational, as the reader can prove by asking himself a question: "If I could legally get away with paying less, would I or wouldn't I?" Moreover, as previously pointed out in this space, the capitalist system, which has served the country well, would collapse if a capitalist really had to hand over to the Treasury $9 out of every $10 earned on his capital.

Even so, the facts and figures cited above raise a question: Should President Johnson reconsider President Kennedy's decision to abandon virtually all the reform aspects of his original tax program? The program as first proposed would have combined generous cuts in upper-bracket tax rates with the closing, or at least the narrowing, of various tax loopholes. For example, the top rate would have been lowered from a totally unrealistic 91 percent (which literally no one in the country pays) to less than 70 percent. At the same time, devices like the Philadelphia-nun gimmick would have been eliminated. In short, the Kennedy program would have made a modest move in the direction of fixing taxes at a rational rate, on the basis of income actually at the disposal of the taxpayer. In the tax-cut bill which has passed the House, and which the Kennedy administration endorsed, virtually all

the major reform aspects, as they affect the upper brackets, were dropped.

Perhaps this was inevitable. Any tax system creates enormously powerful vested interests. To cite one example, all the major foundations, museums and other charities would be seriously hurt by a repeal of the Philadelphia-nun ruling. But the consequences, in political terms, are ironical.

If a Republican had proposed such legislation, all the liberal Democrats would be hollering their heads off against the rich man's tax bill. As things stand, the only effective opposition comes from the conservative budget-balancers, like Senator HARRY BYRD. In the words of one of the Senate liberals, "We'll hold our noses and go along." Those five fortunate fellows who had more than $5 million in income and paid no income tax are probably all Republicans. But they should thank their lucky stars that this administration is Democratic.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2513) to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin, and for other purposes.

The message also announced that the House had agreed 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. 7431) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1964, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 8, 17, 24, 48, and 49 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 25 and 42 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

APPROPRIATIONS FOR PLANS FOR CERTAIN RIVER BASINS—CONFERENCE REPORT

Mr. McNAMARA. 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. 8667) authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins. 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 of December 17, 1963, p. 24804, CONGRESSIONAL RECORD.)

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.

Mr. McNAMARA. Mr. President, H.R. 8667 passed the House of Representatives on October 21, 1963.

It included additional authorizations for carrying construction forward on projects in seven river basins.

The total amount included in the House bill was $145 million, the amount believed necessary to cover estimated appropriations for fiscal year 1964.

The Committee on Public Works of the Senate considered the bill in conjunction with a commitment made by the House conferees during consideration of the Flood Control Act of 1962, and included several projects deleted by the conferees on that bill.

The committee also increased the basin authorizations to an amount believed adequate to cover anticipated appropriations for fiscal years 1964 and 1965.

The amounts included in H.R. 8667, as reported by the committee and passed by the Senate on December 3, 1963, total for 11 river basins, including $100 million for the Department of the Interior for the Missouri River Basin and $166,847,000 for 6 individual projects.

One amendment relating to the purchase of machinery or equipment of foreign origin with funds authorized in H.R. 8667 was added on the Senate floor.

In conference the House conferees accepted all the Senate amendments except three.

First. The funds for the Missouri River Basin for the Department of the Interior were reduced from $100 million to $16 million, an amount believed necessary for fiscal year 1964 only.

Since there was some controversy over provisions of this amendment, and since it properly belonged in the jurisdiction of another committee, the conferees agreed to provide funds for 1 year and let the controversial provisions be settled in the proper committees.

Second. The floor amendment on the purchase of foreign products was deleted. The House conferees considered this amendment unworkable and discriminatory against the projects for which authorization is included in the bill.

The statement of managers on the part of the House includes their attitude on this amendment.

Third. The project for the Knowles Dam and Reservoir, Flathead River, Mont., was reported in disagreement by the House conferees.

On December 17, 1963, the House adopted the conference report, but supported the House conferees in their disagreement to the Senate amendment.

The conference report as approved by the House includes $700 million additional basin authorization for 11 basins, and 5 additional projects having an estimated cost of $116,847,000, a total of $816,847,000.

The major amendments approved by the Senate and sustained in the conference are the following: Cape Fear River Basin, N.C.; Flint River, Ga.; Dardenelle lock and dam, Arkansas; Waurika Dam and Reservoir, Okla.

Mr. JORDAN of North Carolina. Mr. President, the Flood Control Act of 1962, as reported by the Committee on Public Works and passed by the Senate, included an authorization for the New Hope Dam and Reservoir, Cape Fear River Basin, N.C.

At about the same time, the Public Works Appropriation Act, 1963, Public Law 880, 87th Congress, included an amount of $100,000 for planning on the New Hope Dam and Reservoir. The act provided "That no part of this appropriation shall be used for projects not authorized by law."

The project for the New Hope Dam and Reservoir was deleted in the conference on the Flood Control Act of 1962; thus, the project was not authorized at that time, and the appropriation for planning could not be used.

The project for the New Hope Dam and Reservoir was again included in H.R. 8667, as reported by the Committee on Public Works and passed by the Senate. The project has been approved by the conferees on the bill, and is in the conference report now before the Senate.

In the conference, a proviso was deleted from the general language of H.R. 8667, which would permit the prosecution of plans, specifications, and preliminary work on any project authorized in the act with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program.

The Public Works Appropriation Act, 1964, includes $180,000 for planning on the New Hope Reservoir project.

I have been concerned about the use of the appropriations for fiscal years 1963 and 1964 for the New Hope project, and especially with the deletion of the language from H.R. 8667 which would permit the use of funds appropriated "heretofore or hereafter" for projects authorized in the act.

The Senate legislative counsel advises that it is his belief that enactment of H.R. 8667 as approved by the conferees would permit the use of the appropriations made for the project. His opinion was concurred in by the General Accounting Office.

Mr. Tofani, programs officer in the Civil Works Division, Office, Chief of Engineers, advises that the $100,000 appropriated for the New Hope Reservoir project for fiscal year 1963, has been set aside for use when the project is authorized.

Mr. McNAMARA. Mr. President, I move that the conference report be agreed to.

The report was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 8667, which was read as follows:

Resolved, That the House agree 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. 8667) entitled "An act authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins."

Resolved, That the House insist upon its disagreement to the amendment of the Senate numbered 26.

Mr. McNAMARA. Mr. President, I move that the Senate recede from amendment No. 26.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan.

Mr. MILLER. Mr. President, the motion is subject to debate. I wish to ask the Senator from Michigan what the subject matter of the amendment is.

Mr. McNAMARA. Knowles Dam.

Mr. MILLER. I am thoroughly in accord with the motion of the Senator from Michigan. The Senate knows that I have been speaking out on this project for the past couple of years. I regret that the Senate saw fit to include Knowles Dam, particularly in light of the current policy of President Johnson to try to curtail expenditures of the Government as much as possible and to at least postpone projects which might be feasible but which otherwise might cause a further deficit situation in our Treasury. I commend the Senator from Michigan for requesting the Senate to recede with respect to this project. I certainly intend to support the motion.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan that the Senate recede on amendment No. 26.

The motion was agreed to.

THE NATIONAL CULTURAL CENTER

Mr. ELLENDER. Mr. President, I ask unanimous consent that I may proceed for about 6 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator is recognized for 6 minutes.

Mr. ELLENDER. Mr. President, on May 28, 1963, the late President Kennedy wrote these words in a memorandum to the heads of the executive departments and agencies concerning the raising of funds for the proposed National Cultural Center:

> To secure the necessary funds to build the center, which will be a $30 million structure of theater and concert halls, a nationwide fund raising program was authorized through which the American people are given an opportunity to demonstrate their voluntary support for the creation of this type of national institution.

President Kennedy was aware that if the Cultural Center could be constructed entirely through private contributions, it would have much more meaning for the people all over the country. These persons and groups—the schoolchildren who have already made donations, for instance—could all feel that they had a part in the building of a national center. It would have more meaning and significance to all the citizens of America.

President Kennedy realized this, and attached great significance to the raising of private funds. He and his devoted wife worked hard at this, as we all know. He made it the subject of White House messages. He and Mrs. Kennedy spearheaded a nationwide closed circuit TV presentation which had the effect of raising a large sum of money not only for the cultural center, but for many other artistic and cultural groups throughout the country who helped the first family sponsor the show and benefited from the proceeds. Mrs. Kennedy allowed her paintings to be used on Christmas cards and stipulated that funds raised on this project would be applied toward the cultural center.

In these and many other ways, they made it plain that the construction of the center was a project dear to their hearts. Though the idea was an old one, both breathed life into it. At President Kennedy's death, the raising of funds necessary for construction, on grounds donated by the Government, was well on its way.

I think it is most apropos that the Center be named in honor of our late President. It is something he and his wife brought to life; it is something in which he was vitally interested in, and as he conceived it, it is something in which people all over the Nation can take pride.

But, a move is now on to have Federal money appropriated for the Center's completion. I have heard of proposals to have the Treasury match the private contributions collected, while others call for appropriations of far greater amounts to take care of parking and maintenance needs far into the future.

I do not believe that these proposals do honor to the memory of our late President. Instead of financing the Center through voluntary contributions from the public at large, I repeat, many are now proposing that every taxpayer make a contribution through the appropriation of public funds. Instead of being built and maintained by private subscriptions, some are now saying it should become a drain on the taxpayers.

As I see it, Mr. President, rather than becoming an institution in which all Americans could justifiably take pride, the Center may well become another white elephant, built and maintained in the District of Columbia, at a loss to the taxpayer all across the country. We have been assured that this will not be the case, but one must not look very far to note other Federal ventures in the District which have turned out to be flops so far as the taxpayer and the National Treasury are concerned.

We were assured, for example, that the District of Columbia Stadium would be a paying proposition. On the basis of these assurances, Congress granted the borrowing authority to allow the Armory Board to raise the $20 million needed for its construction, and the Treasury stands behind the bonds that were issued. The stadium was constructed on a tract of land containing 102.2 acres donated by the Interior Department. This year's District of Columbia appropriation bill, for the first time, includes the sum of $856,655 to pay the interest due on those bonds. I believe that this will become a yearly charge, and in 1980, when the bonds fall due, the Treasury will doubtless have to step in and make them good.

The Carter Barron Amphitheatre is another example. There the Department of the Interior also made the land available, and the Treasury supplied the funds for its construction. The operation of the theater has rarely broken even, and we are fortunate to find a concessionaire who has agreed to operate it at his own expense.

So, I say again, if the Cultural Center is to be constructed, let us make it a fitting memorial of our late President. Let us build it through private contributions, as he believed could be done, and as he desired it to be done. Let us assist in the construction of a memorial that all America can take pride in as being ours and theirs, and not something which the taxpayers may come to resent. I applaud the proposal to name the Center for our late President. I abhor the idea of using his tragic death as a means to obtain public funds for the construction of the memorial.

THE CLOSING OF MILITARY INSTALLATIONS

Mr. HART. Mr. President, one of the happiest feelings that can come to a Member of Congress occurs when he can run his finger down a list of military installations that are being phased out and finds that his State or district is not mentioned.

This is what happened to me last Thursday and consequently I am now prepared to take a dispassionate and objective look at military economy. Before I am done, I may even be bold enough to support economy in government.

Having government work cut out from under us is an extremely trying situation. I feel qualified to comment on it because I am not without experience in that regard.

The wisdom of phasing out our cavalry corps has always been clear to me but I confess when the emphasis on Michigan-built tanks and trucks began to fade away I started to have an occasional doubt.

Jobless men, I found then, have only a minimal interest in the intricacies of military logistics. And nothing can match the agitation of a community that feels itself wounded in its prestige and economy.

And when such a community—or perhaps several—is snapping at his heels, it is very hard for a Senator to speak approvingly of the men who planned the shutdown.

On the other hand, it is also tough to speak disparagingly of economy-minded planning. As I recall, the best recourse is the word "but": "Certainly, I am for enonomy; 'but' this installation is essential to the defense effort."

Of course, I do not want to stand in the way of long-range planning but this move will cripple the economy of this section of the State.

The word "but" has ever since had bad associations for me. When I find it creeping into my press releases, I know I am in trouble.

Yet the general problem of military contracts is one that certainly deserves what we are fond of calling bold and imaginative thinking. The problem, really, is a good deal more simple when dissected.

The thing that so often puts us in a bad spot, I find, is that bases are eliminated because there is no need for them—and too often Secretary McNamara can prove it.

On the other hand, we are faced with understandably restive constituents at home. Unemployment is no laughing matter—least of all to the unemployed. And we find the local chambers of commerce and newspapers equally agitated.

I know that I have found that newspapers that whack away at me for advocating Government spending will, when local Federal jobs are threatened, thunder with equal vigor that I am not protecting local interests by forcing continuance of whatever program is under the ax. Many will reaffirm their demand for economy in Government but—and somehow they always conclude that the closing of a local installation is an affront to good management.

So two possible solutions present themselves. The first obvious one is to see that bases and material never become antiquated.

Surely, an imaginative Secretary of State could enter into various agreements with various nations, depending on each nation's capability. With a poor nation we could agree that, in case of conflict, we would never fight them with anything more powerful than cavalry.

Another nation, tanks and trucks. And, of course, we could always depend on Russia to keep our space and electronics industries going.

This plan has an obvious defect: It would not contribute much toward economy in Government. And it would be equally ineffective in diminishing the military-industrial complex that we have been warned about so often and so soundly.

So let us abandon that solution for a moment.

The other source of trouble is that restive constituency. What can be done about that?

Well, I suggest that we all live in the midst of the solution. How about creating a Federal district—not unlike the District of Columbia—around every major military complex. Residents of these districts, naturally, would not be allowed to vote in national elections.

This would have to be planned carefully. Naturally, the districts would not be set up until the bases had been established or the defense contracts awarded. This would give each of us the pleasurable experience of announcing new contracts and new installations for our States.

But once having dispensed with this formality, the lines of a Federal district would be drawn up, forever insulating us from the dread prospect of a phaseout.

Mr. President, tragically every day citizens of this Nation are denied the right to vote and here is a way to put that principle to a practical use.

Such a system certainly would brighten the prospects of disarmament which—like economy—is loved everywhere except on the local level. Nothing can match the agitation of a community that is forced to disarm unilaterally.

Surely, we all know that the concern over this problem is a great one—so great that I run the risk of having someone take this speech seriously.

The situation is at once ridiculous and grave. No wonder the cartoonists have so much fun with it and us.

Being so detached from the Thursday announcement, I am tempted to go on with more suggestions for the solution to the problem. But I am not going to. Because after writing this much of this speech I noticed an extremely sobering sentence in the news stories about phaseouts—a sentence that drained me of my good natured objectivity.

The sentence quoted Secretary McNamara as saying that more phaseouts are planned for other sections of the country sometime in the near future.

Now, however, there is one serious point I would like to make, even if only as a footnote. Beginning in the 86th Congress, I have asked for the creation of a select committee to study the economic impact of defense spending.

Surely, last week's episode emphasizes once again the influence that military spending has on the Nation's economic structure. I will not at this time cite all the arguments in favor of such a select committee. They are already in the RECORD.

I intend only to jog the memory of my colleagues in the hope that some might agree with me that it would be well to blow the dust off the proposal and consider it at an early date.

CILKA ELIZABETH INGROVA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 667, S. 579.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 579) for the relief of Cilka Elizabeth Ingrova.

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

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an excerpt from the committee report in explanation of the bill.

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

PURPOSE

The purpose of this bill is to bestow a gratuity of $15,000 upon Mrs. Cilka Elizabeth Ingrova, the widow of Gen. Sergej Jan Ingr, in recognition of the outstanding services the said General Ingr rendered the cause of freedom before, during, and subsequent to World War II and, in particular, his services to the United States from the date of his employment by this country in 1949 to the date of his death, June 17, 1956.

STATEMENT

A similar bill, S. 1441, was reported favorably by the committee in the 87th Congress. On September 18, 1961, it passed the Senate as reported by the committee.

The facts as contained in a letter from the Honorable Anthony J. Drexel Biddle, Ambassador to Spain, to Senator CHAVEZ, of New Mexico, show that General Ingr was born September 2, 1894, at Sikes, Czechoslovakia, and in 1919 was married to Cilka Masinova, of Roudnice, Czechoslovakia, who is now a resident of Washington, D.C.

The letter of Ambassador Biddle further shows the military service of General Ingr to be as follows:

1913–15: Austro-Hungarian Army (Russian front); platoon and company commander.

September 1915 to March 1916: Prisoner of war in Russia.

March 1916 to December 1916: Serbian volunteer division at Odessa (Russia) campaign: Dobrudza; platoon and company commander.

January 1917 to September 1917: Czechoslovak brigade in Russian campaign: Zbrov and retreat from Halic; company commander.

October 1917 to August 1918: Czechoslovak legion in French campaign: Champagn; company commander.

August 1918 to July 1919: Czechoslovak legion in Italian campaign: Alps and action in Slovakia against Hungarian Communists; battalion commander.

1919–22: War academy in Praha (staff college).

1922–38: Commander: Battalion, regiment, brigade, division, corps, general staff.

1927–28: French Staff College, branch Versailles (infantry course).

1939: After the occupation of Czechoslovakia by the Germans: Organized underground movements.

General Ingr then departed for France, where he headed the military administration of the National Committee in Paris. Later, in World War II, he went to England and served as Minister of National Defense and commander in chief of the Armed Forces of Free Czechoslovakia, located in England. Because of his well-known and unyielding anti-Communist attitude, Soviet pressure and influence were exerted on the postwar government of Czechoslovakia which prevented General Ingr from assuming a leading role in the Czech military establishment. In January 1948 General Ingr was appointed Czech Minister to the Netherlands. He resigned from this position 1 week after the Communist coup d'etat in February 1948.

Immediately following the coup d'etat, General Ingr assumed an active and effective role in organizing resistance to the Communist government in Czechoslovakia. General Ingr conceived and in large part personally implemented the concept of organizing a free Czech intelligence service in the West and established the framework of close coordination with the official intelligence organizations of Western governments. General Ingr was instrumental in selecting qualified personnel to staff this free Czechoslovak intelligence service. General Ingr served as the driving force of the Czech resistance movement abroad and at the same time was highly successful in establishing close working relationships between the Czech resistance movement and the Western governments concerned.

Between 1948 and the time of his death, General Ingr's intelligence activity made a

valuable and substantial contribution to overall objectives of U.S. Government policy. Officers who worked intimately with General Ingr were unanimous in their assessment of him as an individual of democratic convictions who worked with energy and dedication and displayed outstanding qualities of leadership and statesmanship.

A few of the military decorations and awards which General Ingr received are as follows.

Czechoslovak War Cross, World War I.
Czechoslovak War Cross, 1939.
Medal of Merit, first class.
American Legion of Merit, commander's class.
K.C.B.: Knight Commander of the Order of the Bath.
Legion d'Honneur, commander's class.
Croix de Guerre.
Polonia Restituta.
Yugoslav St. Sava Order.
Yugoslav White Eagle.
Roumanian Crown.

General Ingr was employed as a consultant by the U.S. Government from 1949 to June 17, 1956. On May 21, 1956, he traveled to Europe on a temporary oversea assignment as an employee of the U.S. Government to coordinate activities there in connection with his work. General Ingr died on June 17, 1956, at the private home of a friend, where he was spending the weekend. The physician who was called at that time stated in a report that General Ingr's death appeared to have been sudden and in conjunction with heart failure.

Mrs. Ingrova was informed of her right to file a claim for death benefits under the Federal Employees' Compensation Act if she believed her husband's death to be attributable to her husband's Federal employment. She was also informed about applying for social security benefits, and her claim was approved awarding her a monthly annuity of $87.

Mrs. Ingrova filed a claim for benefits under the Federal Employees' Compensation Act on March 6, 1957, which claim consisted of the required forms, narrative statements by Mr. Ingrova and the employer, the medical summary, and a death certificate. Mrs. Ingrova's claim was based on her belief that her husband's apparent heart failure and consequent death occurred as a result of his employment.

In a letter from the Bureau of Employees' Compensation of the Department of Labor to Senator Chavez it was pointed out that after that Bureau's review of the information furnished, they informed the Government employer, who was in direct contact with Mrs. Ingrova, that the evidence was not sufficient to warrant the payment of benefits. This letter also explained the requirement of the law and the need for evidence which identifies the specific factors in the employment believed to be the proximate cause of death. It was also stated that in this respect the claim was quite inadequate and only general expressions and personal opinions were submitted to support the allegations.

The Department of Labor in its letter to the chairman of the committee stated that although Mrs. Ingrova alleged that her husband's death was causally related to his employment by the United States, no autopsy had been performed and the exact cause of death was not confirmed. After review of the evidence of record, the Bureau of Employees' Compensation determined that the alleged causal relationship had not been established, and rejected the claim. Mrs. Ingrova did not apply to the Employees' Compensation Appeals Board for a review of the Bureau's decision.

The Department of Labor, in opposing enactment of the legislation as introduced in the 87th Congress stated that a legislative determination that a causal relationship existed between the decedent's death and his employment with the Government, notwithstanding the failure of his widow to establish this fact, could be inconsistent with the systematic and orderly procedure established by the Federal Employees' Compensation Act for the investigation and adjudication of claims, and would create an undesirable precedent.

In a statement submitted by Mrs. Ingrova, it was stated that her husband had a very strict medical checkup from an official doctor which the Government agency he had been employed by sent him to; that this doctor found him absolutely healthy, and 4 weeks later he was dead. Mrs. Ingrova stated that she never knew the nature of her husband's work but that she did know from what little times they were together that he had to work continuously, and that his work was a constant strain on him.

Mrs. Ingrova came back to this country in 1958, and her financial condition has been such that she has had to seek employment. She has been employed as a governess and at the present time she is a companion to an elderly lady. Her weekly salary is $40. She also receives her room and board from this elderly lady. Because Mrs. Ingrova receives an annual income of around $2,000, she is not entitled to receive social security benefits.

This committee recognizes the great contribution to the cause of freedom which General Ingr gave to the world, and the tremendous asset our Government received from the benefit of his employment. He was the type man who would work both day and night in devotion to his work.

As was pointed out in the letter from the Department of Labor to the chairman of the committee, no autopsy was performed and the exact cause of General Ingr's death was not confirmed. This leaves his death as possibly being causally connected with his work open for question. However, regardless of there being some possibility that his death was causally connected with his employment, this committee can think of no better way to honor this outstanding figure than to provide assistance to his widow in her hour of need and, accordingly, recommends that the bill, S. 579 be considered favorably.

The ACTING PRESIDENT pro tempore. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $15,000 to Cilka Elizabeth Ingrova, widow of General Sergej Jan Ingr, in recognition of the outstanding services the said General Ingr rendered the cause of freedom before, during, and subsequent to World War II and, in particular, his services to the United States from the date of his employment by this country in 1949 to the date of his death, June 17, 1956: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

THE NATIONAL BELLAMY AWARD—ADDRESS BY RUSSELL BARNEY OF WEST HIGH SCHOOL, WATERLOO, IOWA

Mr. MILLER. Mr. President, one of the finest programs for high schools in the United States is the Bellamy Award competition. I am pleased to point out that the National Bellamy Award recipient last year was West High School of Waterloo, Iowa. I am also pleased to state that I have received information that Central High School, Chattanooga, Tenn., was the recipient of the 1963 award.

I take this opportunity to extend the congratulations of my State to the State so ably represented by the distinguished Senators from Tennessee on this very happy and proud occasion.

Present at the award, which was made at Chattanooga, Tenn., on October 11 of this year, were 16 delegates from the State of Iowa, including Mr. Russell Barney, representing West High School of Waterloo, Iowa, who delivered the Bellamy Award address.

I ask unanimous consent that this address be printed in the RECORD at this point in my remarks.

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

NATIONAL BELLAMY AWARD

(Address by Russell Barney, of West High School, Waterloo, Iowa)

On behalf of the West High School student body and faculty, I would like to congratulate Central High School on becoming the 22d National Bellamy Award recipient. It was just a year ago that West High received this award in a deeply moving ceremony which will long and proudly live in our memories.

West High and the Bellamy Award advisers took great pride in the fact that West was the first Bellamy school to have on its stage the Governor and both U.S. Senators, the first live television coverage, and the first color cartoon editorial.

West High is one of three high schools in Waterloo, a city with a population of approximately 78,000 people. Our present school building is less than 9 years old, but this year a 17-classroom addition (including a well-equipped foreign language laboratory) was opened to handle our rapidly increasing enrollment. Our auditorium can seat the entire student body, and plays to standing-room-only crowds for every performance of our annual variety show.

In addition to excellence in scholarship and citizenship, West High has distinguished itself in athletics. Last year we were the only large school in the State of Iowa to go undefeated in football. Five of our players made the all-State football team and one of them was elected to the all-American prep team. We are also very proud of our music and speech departments which rank high in the State of Iowa.

Our school motto is "Duty, Honor, Service." West High's student body is proud of this motto and strives to uphold these ideals in every phase of school life.

It is my pleasure to present to the student body of Central High School our last year's annual, the Wahawk. And also on behalf of the student senate of West High School, I am very happy to present this plaque of friendship to the finest high school in the South. Again may I congratulate you and wish you continued success in holding to the high standards which you have established

KIDNAPING

Mr. DODD. Mr. President, an editorial in the Washington Daily News of December 16, 1963, pays a deserved tribute to the Federal Bureau of Investigation for the swift cracking of the Sinatra kidnaping case.

Every time there is a kidnaping, and the paying of a huge ransom, criminal minds all over the Nation begin thinking of trying it themselves. It seems so easy. Had the Sinatra kidnaping been successful, it *might* well have touched off other kidnapings.

But in this case, as in almost all others, the FBI moved quickly and within a week the accused kidnapers were in jail awaiting trial and perhaps life imprisonment.

So the net effect on the criminal world is another demonstration that this type of crime does not pay, and every home in the land owes a debt of gratitude to the FBI.

The Daily News editorial pointed out that this is a standard performance for the Bureau. Since the Lindbergh kidnaping law was passed in 1932, the FBI has solved all but three kidnap cases it has investigated. There were 22 such cases in the past year—all of them solved.

I think there is a lesson in this for all of us: Kidnaping is one crime that the public will not tolerate. And so our laws are severe and our police machinery is thoroughly mobilized to fight this type of crime.

If public opinion was as adamant against other kinds of crime, if our laws in other areas were more severe, if our police authorities were given more moral and financial support, I believe that the crime rate would be severely reduced all across the board.

Mr. President, I ask unanimous consent to insert at this point in the RECORD the editorial entitled "Kidnapers" which appeared in the Washington Daily News on December 16, 1963.

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

[From the Washington Daily News, Dec. 16, 1963]

KIDNAPERS

One of the most hazardous ways to make a fast buck, it should be obvious to any jerk; is to try kidnaping and ransom.

But every so often some "masterminds" think they have worked out the perfect scheme. They almost always wind up in deep trouble.

The FBI has under arrest three California characters who are accused of snatching Frank Sinatra, Jr., son of the entertainment star, and collecting $240,000 in ransom riches. Young Sinatra was abducted a week ago Saturday, the payoff was made Tuesday night, and by last Saturday the three alleged culprits were in jail. Most, if not all, of the money already has been recovered.

The law is tough on this type of enterprise. The penalty goes as high as the gas chamber, or life in the pen, depending on circumstances and the attitude of the convicting jury. Getting off with a mild rap is almost impossible in these cases.

Yet, as the Sinatra case has just shown, we still breed people stupid enough to try it. In the full knowledge, if they had any brains at all, that catching kidnapers is an FBI specialty. Since the so-called Lindbergh kidnapping law was passed by Congress in 1932, the FBI says it has solved all but three of the kidnap cases it investigated. (There were 22 in the year ended last June 30.)

All this suggests not only that we have a highly effective agency in the FBI but that if the laws and the public attitude toward other serious crimes were as adamant as they are on kidnaping the general crime rate might be markedly lower.

THE LATE JOHN W. MURPHY, MAYOR OF NEW HAVEN

Mr. DODD. Mr. President, last week one of the outstanding mayors in the long history of Connecticut, Mayor John W. Murphy, of New Haven, passed away at the age of 85.

Mayor Murphy served in office from 1931 until 1945. During these 14 years he gave the people of New Haven an administration that was honest, sound, enlightened, and progressive.

In the words of the New Haven Register:

John W. Murphy preserved and protected the municipal foundations others had built. But he did more than that. He shored them up and strengthened them so that those who came after him could build and enlarge the structure those foundations supported.

Mr. President, Mayor Murphy was one of those who reflects credit on the American political process, one of those who inspire young people with honest motives and high purposes to enter politics.

He will long be remembered and his passing saddens the hearts of all who knew him.

Mr. President, I ask unanimous consent to insert at this point in the RECORD the editorial entitled: "Mayor John W. Murphy," which appeared in the New Haven Register, December 15, 1963.

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

[From the New Haven (Conn.) Register, Dec. 15, 1963]

MAYOR JOHN W. MURPHY

A bit of the New Haven of yesteryear died this week with the passing of John W. Murphy. But the history which he wrote during his 14 years as this city's mayor always will be with us.

During his years in office, from 1931 until 1945, his was a stewardship geared to the times and conditions and worthy of the best of our proud traditions.

John W. Murphy preserved and protected the municipal foundations others had built. But he did more than that. He shored them up and strengthened them so that those who came after him could build and enlarge the structure those foundations supported.

He took over as New Haven's chief executive in a trying period and during dark hours. The city was plunged deep into the depths of the great depression and was tottering on the brink of municipal bankruptcy. Seeking and obtaining excellent financial advice and carrying this advice into execution, he brought the city out of those depths and gradually restored it to even financial keel. He did this with unswerving courage and determination and in the face of heavy criticism and carping complaint. He was New Haven's leader during World War II years. Here, too, he marched in step with the times, did what had to be done, with courage and with an unswerving honesty of purpose.

Throughout his 14 years in office Mayor Murphy carried the endorsement—the respect and the admiration—of the Register in a succession of political campaigns which saw his programs challenged by a series of Republican opponents.

Despite the problems with which he was burdened, John Murphy never lost the human touch. He loved people and people loved him, both for his kindly, considerate manner and for his kindly deeds. He was a religious man and put into daily practice the tenets of his faith. During his many years of unflagging service as a church choir singer and soloist his renditions reflected not only the excellence of a trained voice but something of his inner convictions and fine principles.

John Murphy, then, was a man who long should be remembered by those privileged to know him—and long will be, with fond respect.

INTEREST RATES CONTINUE TO RISE SLOWING ECONOMIC GROWTH

Mr. PROXMIRE. Mr. President, the best résumé of the developments which have occurred in the past year in the monetary field was published in the November issue of the Federal Reserve Bulletin. I ask unanimous consent that this résumé, entitled "Recent Interest Rate Trends," be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit I.)

Mr. PROXMIRE. Mr. President, the conclusion of this article as stated in the first paragraph comes as no surprise.

Interest rates rose in most sectors of the U.S. money and capital markets during the first 10 months of 1963.

The article then goes on to point out that most of this rise was attributable to factors affecting the supply of funds. Now as we all know, the supply of funds is determined in large part—in fact, entirely—by the Federal Reserve Board. Therefore, while an article which appears in the Federal Reserve Bulletin cannot be critical of the Board, it nevertheless is clear from this article that the upward trend in interest rates during 1963 has been the result in large part of monetary practices followed by the Federal Reserve Board.

In a number of ways this conclusion is reinforced in the article. For example, under the heading "Factors in the 1963 Rate Advance," virtually the first statement made is that "the posture of monetary policy shifted further toward less ease."

The article then goes on to point out that "in light of all these developments the commercial banks and other lenders began to adjust their outlook on interest rates and tended to hold back in the commitment of funds until rates advanced to higher levels. The increases in the Federal Reserve discount rate are also prominently mentioned.

The discussion of the increases in short-term rates is not surprising. These, of course, have been repeatedly justified on the grounds that they were needed for balance-of-payments reasons, arguments which I think we have re-

futed conclusively. However, this article also indicates clearly that long-term interest rates have risen as well.

Mr. President, much has been said throughout the last 2 or 3 years, especially about the need to stimulate the economy. Yet while these statements continue to be made, the actual facts with respect to increases in interest rates seem to be generally ignored. There can be no question, however, but these facts have had a certain and clear-cut consequence of repressing economic growth within our Nation.

EXHIBIT I

RECENT INTEREST RATE TRENDS

Interest rates rose in most sectors of the U.S. money and capital markets during the first 10 months of 1963. This was in contrast to 1962 when long-term rates declined generally and short-term rates showed only small net advances.

Short-term rates fluctuated in a narrow range during the first 4 months of 1963, but from mid-May to mid-November they rose by around five-eighths of a percentage point. Monetary and other policy actions taken to help reduce the deficit in the U.S. balance of payments contributed to the uptrend.

Yields on State and local government, Treasury, and high-grade corporate bonds turned up in late 1962 or early 1963, but their subsequent advances were characteristically smaller than those of short-term rates. While rates on mortgages and yields on lower quality corporate bonds extended their 1962 declines during the first part of 1963, they subsequently tended to stabilize.

Since both the magnitude and in a few instances the direction of yield changes were different in different sectors of the money and capital markets, spreads within the total structure of interest rates changed. The gap between short- and long-term rates narrowed, as is typical when money conditions firm and interest rates rise. And spreads between rates on mortgages and yields on U.S. Government and high-grade corporate bonds also narrowed. While yields on U.S. Government and high-grade State and local government bonds followed roughly the same pattern of advance, those on Treasury issues advanced more than yields on seasoned high-grade corporate bonds. Over the longer period from the fall of 1961 to the fall of 1963, yields on Treasury bonds rose relative to those on all other capital market instruments, as the preceding chart shows.

RATES IN CAPITAL MARKETS

To a considerable extent both the general decline of long-term interest rates during 1962 and the subsequent advance of most of these rates during 1963 were attributable to factors affecting the supply of funds. These factors included changes in flows of funds to financial intermediaries, changes in monetary policy, and revisions in the interest rate expectations of lenders, as their outlook on likely business and financial developments changed.

Although net new borrowing in mortgages and State and local government bonds rose to record highs during 1962 and the first 9 months of 1963, a significant part of the growth in both types of debt was probably induced by the ample supply of funds seeking investment in these sectors.

Likewise, in the U.S. Government securities market, additions to public holdings of new issues maturing in more than 5 years were unusually large in both 1962 and the first 3 quarters of 1963, due chiefly to the increased interest of lenders in long-term investments. More than half of the total growth in public holdings of such issues occurred in Treasury advance refundings.

Borrowing via long-term corporate securities in 1962 and the first 9 months of 1963 was less than in 1961. This reduced demand for funds from corporations reflected their increased ability to meet cash needs from internal cash flows. In previous cycles corporate cash flows leveled off or declined after the early recovery period. In the present cycle, however, they have continued to rise, partly because of the new investment tax credit and the Treasury's revised depreciation guidelines but also in reflection of a continued gradual expansion of earnings.

FACTORS IN THE 1962 RATE DECLINE

Long-term interest rates turned down in 1962 because the flow of funds to capital markets tended to outstrip growth in demands for funds from long-term borrowers. The supply element that contributed most significantly to the decline was the accelerated flow of funds into time and savings deposits at commercial banks. Flows to mutual savings banks, savings and loan associations, and credit unions also continued to grow at a brisk pace.

Aggregate savings flows to all of these institutions rose sharply in the 1960–61 recession, as they had in the 1957–58 recession. But contrary to previous cyclical experience, they continued to grow rapidly in 1962, along with economic activity, as the uppermost section of the accompanying chart shows. For reasons that are developed below this countercyclical growth in savings flows to financial intermediaries added to the supply of funds in capital markets.

The particular factor initiating the sharp increase in flows to financial intermediaries in 1962 was the joint action of the Federal Reserve System and the Federal Deposit Insurance Corporation raising the maximum rates commercial banks may pay on time and savings deposits. These higher ceilings gave commercial banks leeway to pay rates competitive with those available on direct investments in marketable securities. In particular, they made it possible for banks to offer rates on time deposits and certificates that were competitive with yields on money market instruments.

During 1961 several security dealers had established a secondary market for trading in time certificates of large city banks. As a result, investor interest in these negotiable instruments had grown rapidly. After ceiling rates were raised at the beginning of 1962, growth in time CD's accelerated further, accounting for nearly three-eighths of the growth in total time and savings deposits at weekly reporting banks in 1962.

As commercial banks took advantage of the higher rate ceilings, some other savings institutions responded with increases of their own. The step-up of rates available on time and savings accounts greatly enhanced the attractiveness of such investments and channeled a larger proportion of total savings into this form. To some extent the appeal of these fixed interest returns was further enhanced by the impact on investor sentiment of the sharp break in stock market prices in 1962 and by the general tendency for investors to downgrade the inflation psychology that had been carried over from the 1950's.

The importance of commercial banks in the expanded flow of funds to capital markets in 1962 is indicated by the middle panel of the following chart. In addition to the sharp growth in time and savings deposits, the combination of stimulative monetary policy and a slower than usual cyclical growth in business loan demands also left banks with resources that could be allocated to longer term investments.

Faced with the accelerated growth and higher costs of their time and savings deposits, commercial banks began early in 1962 to place more emphasis on yield and less on liquidity in their investment policies. They reduced their holdings of lower yielding Treasury bills and invested actively in long-term capital markets. At first their interest was centered in State and local government securities in order to obtain high after-tax yields. This brought about a sharp decline in yields in the State and local government market. As deposit growth continued, banks began to invest heavily in mortgages as well and to lengthen their portfolios of U.S. Government securities.

Responding to this large bank appetite for longer-term investments, the Treasury in its 1962 financings offered nearly $13 billion of new issues with maturities of more than 5 years to the public. While the relatively high coupon rates on these new bonds attracted other investors as well as banks, banks took the lion's share of most issues.

Despite the accelerated flow of funds to commercial banks in 1962, savings accounts at other financial intermediaries also continued to grow at a rate about in line with past trends. Flows to all institutions accepting time and savings balances thus rose sharply in relation to total private long-term borrowing, as the preceding chart shows.

As is usual, funds available to these other savings institutions went largely into the mortgage market. With commercial banks also showing an increased interest in mortgages, lenders generally found it difficult to put available funds to work at the yield levels which prevailed in early 1962. Accordingly, to keep fully invested they eased mortgage rates and other lending terms.

It is difficult to ascertain whether the funds that accounted for the rapid general rise in time and savings balances during 1962 were funds that would otherwise have remained in idle demand deposits or would have gone directly into particular short- or long-term market instruments or into spending. To the extent the funds were merely diverted from direct investment in such instruments as State and local government bonds, the total flow of funds to capital markets was of course not changed, except perhaps in particular subsectors.

However, a large share of the funds channeled into time and savings balances clearly represented liquidity reserves which, in the absence of these alternatives, would very likely have been either invested in short-term debt instruments, such as Treasury bills, or held in the form of money. The very large amounts of funds placed in marketable time certificates of deposit of commercial banks, for example, were diverted chiefly from direct investment in money market instruments.

In practice, therefore, the higher rates on time and savings balances established in 1962 channeled a large volume of short-term funds that would otherwise have been invested in short-term assets into the capital markets, where they helped to satisfy the demands of long-term borrowers. Other things being equal, this tended to depress rates in the capital markets and to raise rates in short-term markets.

The general decline of long-term interest rates in 1962 was accentuated by lender expectations. In the face of the stock market break and of uncertainties created by a slowing of the economic expansion, lenders tended to view current rates on long-term assets favorably in relation to those that might be available in the near future. Therefore, they bid actively to obtain such assets.

FACTORS IN THE 1963 RATE ADVANCE

By early 1963 it began to become apparent that the 1962 rate decline had gone too far. Better business news dissipated some of the earlier uncertainty on the economic outlook, and psychology was further improved by the rapid rise in stock prices starting in late

1962. Around the turn of the year the posture of monetary policy shifted further toward less ease. At the same time, security offerings in capital markets by governmental units—Federal and State and local—remained unusually large. Later, the rate of growth in time and savings balances showed signs of slackening.

In light of all these developments commerical banks and other lenders began to adjust their outlook on interest rates and tended to hold back in the commitment of funds until rates advanced to higher levels.

As the year progressed, these early rate influences were reinforced. A sharp deterioration in the U.S. balance-of-payments position during the second quarter led to further Government measures for dealing with the deficit—including an increase of one-half a percentage point in the Federal Reserve discount rate to 3½ percent and some further firming of open market policy. With short-term interest rates rising generally in response to these monetary actions, yields on most bonds also rose, but only moderately. Finally, as economic activity continued to move up, business demands for bank credit gathered additional momentum, and business optimism became more widespread. In the face of all of these developments lenders tended to view further interest rate advances as likely, which in itself tended to augment the rise.

The volume of time certificates outstanding at city banks increased after the interest rate ceiling on deposits maturing in 3 months to 1 year was raised in July to 4 percent. Still the annual rate of growth in commercial bank time and savings deposits was less in the first 10 months of this year than last, and flows of funds to savings and share accounts at other institutions in the first 9 months were below the advanced rates of late 1962. While banks continued to absorb about 90 percent of the heavy volume of new State and local bond offerings during the first 9 months of 1963, several developments—including the further firming of monetary policy during the summer, rising rates on short-term money market instruments, and the general reduction in bank liquidity—raised questions among market participants as to whether banks would continue to absorb State and local government securities in such volume. These uncertainties led to some congestion in the municipal securities market and to a further rise in yields.

Interest rates on short-term debt instruments, as the uppermost section of the accompanying chart shows, have advanced in three stages since the recession: The initial advance, ranging from roughly three-eights to one-half a percentage point, occurred in the latter half of 1961 as the domestic economy moved out of the recession. Over the next 17 months there were net increases, but they were small. Then in late May 1963 rates turned upward, and in less than 5 months rose about as much as in the previous 24 months.

IMPACT OF DISCOUNT RATE CHANGE

Just before the mid-July increase in the Federal Reserve discount rate, short-term interest rates recorded a sizable advance. During this period the press reported preliminary estimates indicating that the payments deficit had become much worse in the second quarter. At the same time money market data began to show some lessening of marginal reserve availability in the banking system. These developments, along with testimony by Treasury officials at congressional hearings on possible ways of dealing with the payments deficit, led to market expectations that a change in monetary policy was imminent. Thus, by mid-July the 90-day Treasury bill rate had already risen about one-third of a percentage point from its mid-May level of 2.90 percent.

Because of this anticipatory advance, Treasury bill rates at first showed little additional response to the increase in the discount rate. Within a short time, however, the higher costs of reserves borrowed at Reserve Banks were further reflected in other money market rates, particularly in rates for Federal funds, and in rates paid by Government security dealers for financing their security inventories. Subsequently the 90-day bill rate also pushed higher and by early November exceeded the discount rate by a small margin.

OTHER FACTORS IN THE RECENT RATE ADVANCE

Other factors that contributed to the rise in short-term rates after May were the continued expansion of economic activity and the increased business optimism it created, the further firming of bank reserve policy, and the mid-July action of the Federal Reserve and Federal Deposit Insurance Corporation raising maximum permissible rates on time deposits at commercial banks.

The further firming of money conditions after May caused banks to liquidate some holdings of U.S. Government securities and forced them to rely more on borrowings at the Federal Reserve to meet their marginal reserve needs. In the 6 months from mid-May through mid-November, borrowings of all member banks at the Federal Reserve averaged more than $300 million, about double the average for the preceding 6 months; and their net free reserves averaged $130 million compared with $325 million in the earlier period.

The increase in ceiling rates on time deposits made it possible for commercial banks to offer more competitive rates on time certificates—particularly those with maturities of from 3 to 6 months, on which the ceiling rate had previously been only 2½ percent. Banks moved promptly to take advantage of this greater leeway, and the resulting competition for short-term funds operated to reinforce the general advance in short-term rates.

Seasonal deficit financing by the Treasury usually exerts upward pressure on short-term interest rates during the last half of every year, but in the 4 months ending with October, the Treasury covered a large part of its cash needs out of existing balances. Net cash borrowing thus amounted to under $2.5 billion, less than in the equivalent period of other recent years and less than previously expected.

Nevertheless, gross Treasury cash borrowing of $6 billion was spread over five successive special Treasury bill auctions of $1 to $2 billion each—running from late August to late October. Three of these represented the start of a new monthly cycle of 1-year Treasury bill auctions. The other two were a bill strip auction and a tax anticipation bill auction. Since none of these operations permitted commercial banks to make payment by crediting Treasury tax and loan deposits, Government security dealers had to provide most of the underwriting. This operated to keep bill rates under upward pressure.

ROLE OF PUBLIC POLICY

Looking more broadly at the economic upswing since 1961, the movement of short-term rates in the period was particularly affected by three influences. One was the large transfer of funds from short- to long-term markets, already described. The other two were Federal Reserve open market policy and Treasury debt management policy.

Policy actions of the latter two types were directed at minimizing downward pressure on short-term rates during the earlier part of the period and later at exerting upward pressure on these rates. Higher short-term rates—particularly for Treasury bills—were considered desirable both to restrain interest-sensitive outflows of short-term capital and to bolster confidence in the dollar among participants in foreign exchange markets. While the Federal Reserve and the Treasury have pursued these objectives jointly, the relative roles they have played changed somewhat as the economy moved to higher levels of activity.

The Federal Reserve has consistently pursued a policy designed to encourage bank credit expansion. Within the framework of this policy, it has conducted open market operations in a manner designed to minimize the downward impact of its purchases on short-term rates. To this end, in February 1961 the system extended its open market buying to include longer term securities, provided the market supply of such issues was sufficient to permit buying without pressing prices to unsustainable levels.

As the economy moved out of the 1961 recession and advanced to new high levels of activity, the Federal Reserve gradually modified the posture of active ease it had adopted in the recession. Each of these moves to less ease was intended to moderate slightly the rate of expansion in bank reserves, and thus to exert some upward pressure on short-term rates. Each was taken when unfavorable developments in the balance of payments were creating concern about the possibility of an accelerated outflow of short-term capital and when favorable developments in the domestic economy indicated further expansion was likely.

The rate on 90-day Treasury bills responded to these policy modifications, as the preceding chart shows, although the response in mid-1962 was distorted for a short time by expectations of possible, more drastic policy moves prompted by the Canadian balance-of-payments crisis and by talk of a possible quickie cut in U.S. income taxes. For the period from mid-1961 to early 1963, when the effective rate on Federal funds remained generally below the Federal Reserve discount rate, the pattern of change in the funds rate provides a more striking indication of the relative impact of monetary policy on money market conditions.

Although successive system policy modifications thus contributed to the rise in short-term rates, they did not keep bank credit from continuing to grow substantially. The total expanded at the unusually rapid rate of nearly 9 percent during 1962 and 7.4 percent (annual rate) in the first 9 months of 1963. Moreover, although average borrowing at the Federal Reserve rose after May 1963, member banks as a group continued to show net free reserves. This contrasts sharply with the cyclical expansions of the 1950's when the banking system showed a large net borrowed reserve position.

TREASURY DEBT MANAGEMENT

During most of the economic advance the Treasury has used debt operations to exert upward pressure on short-term rates. Its principal means of achieving this objective has been to finance the bulk of the continuing Federal cash deficit in the Treasury bill market. In setting the terms and the timing of these bill auctions, the Treasury has sought to maximize their upward impact on market rates.

Since 1961, however, the Treasury has also stressed debt extension in its other financing operations. Its ability to do this without compromising short-term rate objectives was due in large measure to the willingness of banks to hold a larger proportion of their Government security portfolio in longer-term issues.

Prompted by a desire to rebuild secondary reserves—depleted in the 1955–59 period of economic expansion and monetary re-

straint—commercial banks had expanded their holdings of short-term Treasury issues during late 1960 and 1961 by more than the net increase in such debt available to the public. But when economic expansion in 1962 failed to fulfill expectations—with monetary policy remaining easy, and with the large inflow of time and savings deposits—bank demands for liquidity declined. In the 2 years ending with September 1963, they reduced their holdings of short-dated Treasury debt by $8.9 billion. Some of this represented net liquidation of Treasury bills, but much of it reflected takings of the longer-term issues offered in Treasury refinancings.

Public holdings of short-term U.S. Government securities

[In billions of dollars]

Type of holder and issue	Change in 12 months ending—		
	September 1961	September 1962	September 1963
Commercial banks:			
Treasury bills	+5.4	−3.1	+1.0
Coupon issues	+7.1	−.9	−5.9
Total	+12.5	−4.0	−4.9
Nonbank holders:			
Treasury bills	----------	+4.0	+3.7
Coupon issues	−.6	−.5	−2.5
Total	−.7	+3.5	+1.2
All holders:			
Treasury bills	+5.4	+.9	+4.7
Coupon issues	+6.5	−1.4	−8.5
Total	+11.9	−.5	−3.8

NOTE.—Changes are calculated from Treasury survey of ownership data. Public holdings exclude securities held by Federal agencies and trust funds and the Federal Reserve. Survey data for commercial bank holdings were adjusted by Federal Reserve to obtain an estimate of total bank holdings.

Short-term issues are those with maturities of less than 1 year; partially tax-exempt issue is to 1st call.

With banks reducing their bill holdings and the Treasury adding to the total supply, nonbank holdings of bills rose by $7.7 billion, more than offsetting a $3 billion drop in their holdings of short-term Treasury coupon issues, resulting from Treasury efforts at debt extension.

Over the same period the supply of bank time certificates of deposit grew by well over $5 billion, and that of commercial paper and bankers' acceptances by more than $2.5 billion. Thus, despite the Treasury emphasis on lengthening of the debt in its refunding operations, the supply of short-term money market instruments that were available to meet demands for liquidity was substantially increased.

SHORT- VERSUS LONG-TERM RATES

Since the 1961 recession, changes in the spread between yields on short- and long-term Government securities have received considerable attention. This interest has been prompted largely by the efforts of economic policy to promote domestic economic growth, while at the same time exerting upward pressure on short-term interest rates.

The chart shows changing relationships within the term structure of Treasury yields over the past three cycles. In all three cycles spreads within the yield structure were widest when monetary conditions were easy. Because money remained easy longer during the current economic upswing, yield spreads also remained wider over a longer period.

Treasury bill rates in the 1961 recession never reached the extreme lows of the two previous recessions, due in part to official efforts to restrain declines. Nevertheless, the spread between yields on bills and long-term bonds was about the same in both the recent recession and the 1954 downswing.

In the first 5 months of 1961 and again in 1962 the yield spread between Treasury bonds and Treasury bills narrowed as long-term rates declined. In earlier periods when long-term rates declined on any similarly sustained basis, short-term rates usually declined by more. Narrowing of the spread in the 1961 period reflected in part the fact that bank and other demands for liquidity were met with a greatly expanded supply of short-term Treasury securities, chiefly as a result of the Treasury financings. At the trough of the two earlier recessions, the supply of short-term debt had been substantially reduced by Treasury debt lengthening operations.

The supply of short-term issues available to the public in the first 5 months of 1961 was also augmented by net sales of about $1.7 billion from the portfolios of the Federal Reserve System and of Federal agencies and trust funds. At the same time, these official accounts made offsetting purchases of longer term securities, including over $1.1 billion of issues due in more than 5 years. These purchases, and the expectations of further purchases they created, contributed to the decline in yields on longer maturities and thus helped to reduce the yield spread between short- and long-term Treasury obligations.

The tendency for spreads to narrow within the Treasury yield structure in 1962 was due chiefly to the large transfer of funds from short- to long-term markets by financial intermediaries. In addition, the decline in long-term rates reflected changed expectations, while the net advance of short-term rates in the face of these expectations reflected system policy shifts to slightly less ease.

During 1962 the Federal Reserve and Federal agencies and trust funds made net market purchases of $0.6 billion of Treasury bonds due in more than 5 years. To a limited extent this buying helped to cushion the impact on rates of the large additions to public holdings of such issues in Treasury financings.

The marked further narrowing of the spread between short and long rates during 1963 has occurred as short-term rates have risen more than long-term. This pattern of change is typical in periods of generally rising rates. But, as the chart shows, the relative magnitude of the advance in long-term rates through mid-November was less than in some earlier periods of rising short-term rates, when money conditions were tight. Although Treasury offerings to the public of new issues with maturities of more than 5 years totaled about $15 billion in the first 10 months of 1963, two-thirds of this increase occurred in advance refundings, which have the smallest immediate impact on market rates per dollar of financing of any type of Treasury operation. Moreover, in this period, Federal agencies and trust funds acquired $1.5 billion of such issues in the market, and the Federal Reserve acquired about $0.6 billion.

THE LATE HONORABLE HERBERT H. LEHMAN

Mr. PROXMIRE. Mr. President, a number of eloquent and moving statements have been made in the past few days about the late and great former Governor and Senator, Herbert H. Lehman. One of the finest expressions of liberal philosophy ever voiced was given by former Governor and Senator Lehman in an interview given over NBC television on May 4, 1958. Senator Lehman was interviewed by Martin Agronsky, of the national broadcasting system. Agronsky is as competent and sensitive an interviewer as there is in the business. I ask unanimous consent that the text of this excellent interview, which so beautifully reflects the philosophy, life, and work of Mr. Lehman, be printed at this point in the RECORD.

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

[From the CONGRESSIONAL RECORD, May 13, 1958]

Mr. AGRONSKY. Good afternoon; I'm Martin Agronsky. Welcome to "Look Here." This is the Manhattan office of a man who has served his State of New York as Lieutenant Governor when Franklin D. Roosevelt was Governor; as a four-term Governor himself in the thirties; and more recently as Senator. And for his conduct of these offices the Honorable Herbert Lehman is regarded by New Yorkers as one of the great public servants of their State's history. And for his many good works he is one of their cherished citizens. Governor Lehman.

Mr. LEHMAN. Thank you very much, Mr. Agronsky; I'm very glad to be here with you today.

Mr. AGRONSKY. Well, thank you, sir. Governor, I can't help noticing all these boxers; are they related in any way to your public service?

Mr. LEHMAN. No, not a bit; but Mrs. Lehman and I were the first people to introduce the boxer breed to this country. We brought the first boxers over for breeding purposes 46 years ago and made the first American champion. I'm devoted to the breed and we've had a lot of fun in raising them.

Mr. AGRONSKY. Do you consider that a contribution, sir, in public service?

Mr. LEHMAN. I think it was a contribution to the happiness of a great many people.

Mr. AGRONSKY. Governor, you've just observed your 80th birthday. Now such a milestone I would imagine would give a man pause. Would it give one pause to reflect as much as when you turned 30 as a young man?

Mr. LEHMAN. Well, I did have an 80th birthday celebration. It was a very happy one. I was honored by my family and my friends and my associates. Mr. Agronsky, I've been asked whether I miss my work in the Senate. I want to say that I, of course, miss my work and I particularly miss my friends and associates from Washington, but I've kept just about as busy since I retired as I ever was before; and it has been a great source of satisfaction to me to know that I still can make some kind of a contribution to the welfare of the people of my State and Nation.

Mr. AGRONSKY. Do you find that over the years, sir, from the time you first entered political life and public service that your views and your philosophy have changed as much as the world has changed?

Mr. LEHMAN. Well, I know that the views and philosophy of many people have changed. As far as I'm concerned I was surprised when my wife in emptying our attic when we moved from the country to New York a year or two ago found some compositions which I had written 60 years ago in college in which I dealt with many of the questions now of interest—civil rights, immigration, and other questions.

Mr. AGRONSKY. When?

Mr. LEHMAN. When I was at college. And I found my views had not changed very greatly from that time to this.

Mr. AGRONSKY. That's a remarkable statement, Governor; how do you account for that? Were you so prescient?

Mr. LEHMAN. No, I don't think so, except I was brought up in a liberal atmosphere, and it had its great impact on me. My parents were liberals. My father was an immigrant, my mother was also. They came over from Germany to find their new life here and to some extent to escape from the rigors of restrictions in their native country; so I heard continuously as a boy liberal points of view. And then later I, of course, became very much interested in liberal issues, questions, and problems because my parents encouraged me to do so. So I don't think it's so difficult to understand why I have remained a strong liberal ever since. And there are other factors of course.

Mr. AGRONSKY. Governor, I wonder if we could talk about another of your interests and your obligations aside from liberalism and politics that you've assumed since you've retired as a Senator. You're now heading the American Committee for the 10th Anniversary of Israel. Do you think that Israel's problems are greater or less than they were 5 years ago or 2 years ago?

Mr. LEHMAN. Well let me speak to you about that for a minute. I think Israel has made almost miraculous progress in the past 10 years. It has become a strong industrial nation, the only industrial nation in the Middle East. It has developed its agriculture and its social consciousness to a marked degree. It has admitted twelve hundred thousand new immigrants, party people, devoted people, dedicated people, to Israel, who have been a great asset to Israel. There's no doubt at all about it that from the material aspects, physical aspect, and the social aspect, Israel has made very great progress. But I don't want to give you the impression that I do not believe that Israel is in a very critical condition; it is, very critical.

Mr. AGRONSKY. And do you think that Israel can survive, considering the critical conditions?

Mr. LEHMAN. I think it's going to survive under any circumstances. But I believe that its difficulties will be tremendously reduced and the security of the world will be served without question if our country and the other great powers make it crystal clear to the world that Israel is there to stay under all the circumstances. And that they should take measures to assure the security of Israel within its present boundaries. If that is done I think there will be no grave danger there.

Mr. AGRONSKY. Well, by raising that point, sir, you, of course, indicate that there is some prospect that this will not be done. Do you think that is so?

Mr. LEHMAN. I don't know. I'm always an optimist and I hope that our Government will redeem the assurances which they have given time and time again to Israel. When I say our Government, I include other countries like Great Britain and France.

Mr. AGRONSKY. Well, what do you consider is the major threat to Israel's survival today? The Arabs?

Mr. LEHMAN. Well, I think obviously the major threat to Israel is the Arabs, but a new factor has entered into the situation, and that is the injection of itself by Russia into the Middle Eastern situation. Russia has encouraged almost fanatical nationalism among the Arab leaders and among the Arab people. And by doing so I think it has strengthened the intransigence of the Arabs to be willing to work together, live together, prosper together with Israel; and I think that if Israel prospers, I believe the entire Middle East will prosper; and I want to emphasize the fact that I believe the Middle East should be developed on a regional basis not only for the benefit of Israel but for the benefit of the entire Middle East, and if that is done I think our chances of maintaining security in the world and lasting peace will be greatly enhanced.

Mr. AGRONSKY. Governor, I wonder if you'd permit me to put a question—perhaps in the role of Devil's advocate. There are, after all, millions of Arabs in the area, more than 40 million; I believe it's 44 million, and so few Jews, just a little over 2 million. Wouldn't it be in the best interests of American policy, considering that particular ratio, that the United States should support Arab interests?

Mr. LEHMAN. No; I emphatically deny that.

Mr. AGRONSKY Why do you think that, sir?

Mr. LEHMAN. Well, because in the first place, I don't think you're going to placate the Arabs by making concessions. In the the second place, I've never known a country permanently for any great length of time to prosper unless they maintain principles. I believe that if we continue to yield and yield and yield to the demands and to the representations of Nasser and some of the Arab leaders we may very well find ourselves in the same situation that we did when we placated and yielded in every degree to Hitler. If the great powers of Europe had stood up firmly for principle, for agreements, for understandings in 1935 and 1936, I doubt if we ever would have had a second World War.

Mr. AGRONSKY. You think then, Governor, that in the situation that Israel is in today in relation to the United States that the issue is one between principle and expediency again?

Mr. LEHMAN. I think the issue is between principle and security in the first place, but in the second place—and I think that that must be taken very greatly into consideration and I hope it will be by our Government—is that the security of Israel is directly connected with the security of the United States and of the entire free world. If you have an explosion in Israel—and it's the most explosive and critical situation in the entire world, the Middle East—it will inevitably, in my opinion, affect the security of the entire peace-loving world.

Mr. AGRONSKY. Governor, can we return again to your own career? You entered public life, sir, under rather unusual auspices for a middle-aged Wall Street banker, under the Democratic-Liberal banner. I wonder if we could look back a minute? How did it all begin? What brought you into public life under those auspices?

Mr. LEHMAN. Well as I said before, Mr. Agronsky, of course, my parents were liberals. I grew up in that liberal atmosphere. I had a teacher at school, Frank Irwin, who was very much interested and for whom I had a very high regard and who was very kind to me; and he and my father used to take me down to the slum areas and I saw how the people down there lived and it was terrible. I saw the workshops, the sweatshops in which all decent conditions were completely disregarded. I saw men and women working for 12 and 14 hours a day for miserable pittances. You can't even call them wages.

Mr. AGRONSKY. Let's set a date on that, Governor.

Mr. LEHMAN. Well that was about 1892 or 1893, one of those years. And then I also was very much influenced by a great settlement worker and I think the settlement houses had great influence on the entire liberal movement in this country. Lillian Wald who was head of Henry Street and who I knew for a long time, and as a matter of fact I later became very closely associated with her. For many years up to the present time I'm still a director of Henry Street. I became connected with many other settlement houses. Then I became acquainted and in some cases made strong friends of some of the liberal legislators such as Al Smith and Robert F. Wagner and Jim Farley and others of like views. That affected me very much.

Mr. AGRONSKY. And they brought you into politics?

Mr. LEHMAN. Then I became acquainted with a great many of the social and labor leaders of the State and of the country as a matter of fact; all those things strengthened my determination and my inclination to take as strong a part in the liberal movement as I possibly could. It's an amazing thing how I was able through their eyes possibly under their guidance to see the real conditions with which the average young man did not have an opportunity to become acquainted with.

Mr. AGRONSKY. Governor, you raised the name of Al Smith. It has been 30 years since Al Smith was defeated in his effort to become President of the United States. Do you think, Governor, that our country has matured in the intervening period to a point where such a man—when I say, such a man I mean a man of Catholic religion—could run without jeopardizing his party's chances?

Mr. LEHMAN. Well I think the situation has very greatly improved. At that time it was a tragic period. I was very active in that campaign. At headquarters we had a room and on the wall of the room we pinned up, pasted up many of the cartoons and editorials attacking Al Smith because of his religion, and it was a terrible, terrible tragic situation which affected me very deeply. I think a great deal of that has disappeared and I think a great deal of the opposition to a Catholic candidate would be lessened today.

Mr. AGRONSKY. You do. Do you think that the country then has become more tolerant?

Mr. LEHMAN. I think it has become more tolerant, very definitely.

Mr. AGRONSKY. Governor let me ask you perhaps a mean question. Suppose you lived in Mississippi or Alabama—and at one point in your life I believe you did live in Alabama—what would you do at election time? Would you vote Republican as a protest vote or would you vote Democrat in the hopes of getting a little accomplished through your own party, or would you not vote at all these days?

Mr. LEHMAN. Well let me put it this way. I'm going to be very frank. If I were a politician, an officeholder whose whole life depended on his holding office I'm not sure that I would have courage enough to vote against the views of my constituents. But if I were a citizen I'm certain that I would have no hesitation in voting on the liberal line; in other words, to do away with all disabilities and all civil deprivations that have been exercised for so many years against Negroes.

Mr. AGRONSKY. You would leave your party on that?

Mr. LEHMAN. I would if necessary leave my party. At least I hope I would have courage enough to do it. I've never lived in Mississippi; I've never lived in Alabama, although my parents lived there for many years. I hope I would have courage enough to do it and I believe I would. But I want to say this in justice to some men in the Senate who are liberals in every other way except on civil rights. They do realize that an adverse vote against their constituents would mean their complete annihilation from the political field, and it takes a tremendous amount of courage to do that.

Mr. AGRONSKY. Are you prepared to justify their political schizophrenia on these grounds?

Mr. LEHMAN. I'm not prepared to excuse it but I believe I'm realistic enough to know that it must have a great effect on them. You're talking now about people whose career, whose life depends on their political careers. It's not a noble thing to do but I believe that some of them probably are affected by that.

Mr. AGRONSKY. Well Governor, perhaps it helps to have independent means then when you're in politics?

Mr. LEHMAN. I think it does to some extent help. On the other hand I think it's sometimes a handicap. It's a help because any man of independent means can be much more independent of his own job——

Mr. AGRONSKY. As you've indicated.

Mr. LEHMAN (continuing). Than otherwise. It's a handicap to the extent that I think many times men of means have to vote or are confronted with the problem of voting against their own interests in order to uphold their own principles. I can say that from a matter of experience.

Mr. AGRONSKY. Yes. Governor, you've just laid down very vigorously a policy of independence and liberalism. Now you are a four-term Governor of your State as a Democrat, and former Senator as a Democrat. You're an elder statesman. Now you said, too, you'd be prepared to leave the Democratic Party on this particular issue of principle, on this issue of racism in effect. Now does that mean, sir, that you are a liberal first, and a Democrat second?

Mr. LEHMAN. I would say so, although I've been a very loyal Democrat. I have voted for—I did vote for—Theodore Roosevelt because I thought the principles which he espoused and for which he fought—and they were important principles—were just and right and in the interests of the country. I believe if I had to face that issue I would say, "Well, I'm a liberal first and a Democrat second." And I say that not because of differentiation between liberalism and party affiliation but because I believe that the liberal faith is the right faith. I believe we have to have it in this country. I think that liberals have to stand firm. I think that the things that they have espoused are sound and right and will help the country. I would rather put it on the ground that I'm going to vote for what I think, and stand by what I think, is of the interests of the country than the interests of any differences between one particular point of view and philosophy.

Mr. AGRONSKY. Governor, I think you'd probably accept that that's a rather unique way for any man in political life to talk. I wonder if you'd give your definition of a liberal?

Mr. LEHMAN. Mr. Agronsky, it's awfully hard to give a specific definition of a liberal or of liberalism because there's neither dogma nor doctrine in liberalism. So I would rather characterize it than try to define it. I believe that the liberal movement is a great humanitarian spirit. It differs—the interpretation of that humanitarian spirit of liberalism, of course, differs among different people. But so far as I'm concerned, I interpret a liberal as one who loves freedom and equality, exact equality, one who has concern with the problems of the underprivileged; one who has a passionate respect for justice; and, finally, one who believes strongly in the universal brotherhood of man.

Mr. AGRONSKY. Well, I think that's a very stirring definition, Governor. I wonder, looking now at contemporary political life, who in public life today do you think would best reflect such qualities as you speak of?

Mr. LEHMAN. Well, I can't answer that question, because I believe there are a great many people who would fit that description; and I wouldn't want to mention a few particular individuals, for fear of omitting others who deserve that characterization as much as any.

Mr. AGRONSKY. Well, I accept that, Governor. I won't press you on that. I wonder if we can return then to liberalism in the general sense. Wouldn't you say that liberals are really a marginal force, though, in our national politics today?

Mr. LEHMAN. I think they're absolutely necessary.

Mr. AGRONSKY. But marginal, sir? Certainly in the great minority.

Mr. LEHMAN. Oh, very great minority. There's no doubt about it. Well, the militant liberals are in a great minority. I believe that the great mass of the American people are liberal. I wouldn't have been elected as often as I have been elected to office if that wasn't the case, because I wasn't elected exclusively by Democratic votes. Of course, they helped, but I was helped by a great army of Independents, Republicans of liberal point of view, and of members of the Liberal Party. I believe that the great majority of the American people are liberal at heart and in mind, and so far as they have an opportunity in expressing themselves.

Mr. AGRONSKY. Governor, let's take your own experience in the Senate as a liberal and as a Democrat. Invariably when issues came up, various legislative measures arose that required that you compromise in order to be on the winning side or to get the legislation passed, invariably you refused to compromise, and I've often wondered, didn't this reduce your own effectiveness as a Senator?

Mr. LEHMAN. I don't think it lessened my effectiveness as a Senator and as a leader—political leader. I use the world "political" in the broadest sense. I think probably it lessened my chances of getting legislation through very frequently. I took that chance. I had to make the choice when I went to the Senate of going out for the whole loaf or only a slice, and I decided to go for the whole loaf. Now, I think there may be instances where a legislator should compromise to some degree, but I think he should do so only after the case has been completely presented to the people of the country.

Mr. AGRONSKY. Then what is the function of the liberal, to get the whole case presented? Is that it?

Mr. LEHMAN. Well, yes. I think this, my feeling is this, that I think the liberals should not concern themselves nearly so much or exclusively at least with exerting power as with upholding principle. I think that's the important thing. I think somebody has got to uphold principles unless this country is going to revert to a situation which now exists, would have existed unless we had had some liberal leaders and which does exist now in many countries of the world. I believe he has to uphold principle. I think that has been one of the great difficulties of our country both in their domestic and in their foreign policies. We haven't sought to uphold, we haven't fought to uphold principles.

Mr. AGRONSKY. Governor, can you cite an occasion along these very lines in which insistence on a whole loaf won the day in legislation?

Mr. LEHMAN. Oh, I could if I had time, cite many examples. I'll cite one in my own experience. This happened in 1935 and 1936. When I was Governor I recommended the enactment of a social security act by the Legislature of the State of New York. The Republicans strenuously opposed that. I fought for it in 1935 and again throughout 1936. I appeared before joint sessions of the legislature three times. I sent many messages to the legislature; I appeared on the radio—it was before television—and I didn't win: but I made it a main issue in the campaign that year. I was elected by a vote so large that people considered it a mandate and the bill went through after 2 years struggle almost by unanimous vote. That is why I say no problem is beyond hope of redemption.

Mr. AGRONSKY. Good for you, Governor Lehman. Thank you, Governor Lehman. Since last September it has been my privilege to conduct "Look Here" at this time, and this is the last program in the current "Look Here" series. I would like to express my thanks to all of you now who found these interviews worthy of your time and your interest. Good afternoon.

ARMS AID TO INDONESIA

Mr. PROXMIRE. Mr. President, the foreign aid appropriation bill will be under consideration by the Senate in an hour or two. The bill provides military assistance to Indonesia—not much, but some.

This morning's newspapers report that Great Britain has asked her allies to halt arms aid to Djakarta and has pointed out the serious nature of the relations between Indonesia and Malaysia.

I invite attention to an article entitled "Sukarno Seeks To Crush Malaysia," written by R. H. Shackford, a Scripps-Howard staffwriter, and published in the Washington Daily News of October 16, 1963. I read a portion of the article:

This small and resource-rich country—meaning Malaysia—is the brightest and most hopeful spot—politically and economically—in southeast Asia.

Most of the others are harassed by tinpot dictators, eccentric princes, extreme chauvinism, and Communist warfare.

And Malaysia's bright futures is the major reason Indonesia's dictator, Sukarno, is threatening to crush it.

Having wrecked his own country economically, Sukarno apparently can't stand the example of a prosperous and stable neighbor.

I ask unanimous consent to have that article and one entitled "Britain Asks Allies To Halt Arms Aid to Djakarta," written by Peter Grose, and published in the New York Times of today, December 18, 1963, printed at the conclusion of my remarks. I hope the Senate will give consideration to this particular situation when the foreign aid appropriation bill is considered a little later today.

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

[From the Washington Daily News, Dec. 16, 1963]

DIM VIEW OF BRIGHT FUTURE—SUKARNO SEEKS TO CRUSH MALAYSIA

(By R. H. Shackford)

KUALA LUMPUR, MALAYSIA, December 16.—This small and resources-rich country is the brightest and most hopeful spot—politically and economically—in southeast Asia.

Most of the others are harassed by tinpot dictators, eccentric princes, extreme chauvinism, and Communist warfare.

And Malaysia's bright future is the major reason Indonesia's dictator, Sukarno, is threatening to crush it.

Having wrecked his own country economically, Sukarno apparently can't stand the example of a prosperous and stable neighbor.

The cold war between Malaysia and Indonesia (with the Philippines aiding Indonesia) isn't so cold any more in Borneo and Sarawak, where Sukarno's army is helping guerrillas and terrorists.

The situation is so bad Malaysian officials openly say Sukarno is guilty of aggression and anyone helping him there is his accomplice.

To Malaysians, Sukarno is southeast Asia's Hitler—megalomaniac, aggressor, expansionist, envisioning a personal fuhrership over all territory from Thailand to Australia.

WIDE SPLIT

United States and Malaysian attitudes toward Sukarno couldn't be farther apart.

Although the United States is taking a new look, until now the American view has been that Sukarno is a fact of life who must be lived with and that the alternative would be worse—a takeover by the Indonesian Communist Party, with close ties to Red China.

DUPE?

Malaysians say the American attitude is preposterous, that if Sukarno leaves the scene Communists couldn't take over more than the island of Java, where their strength lies, and that the rest of Indonesia would break up into separate entities—Sumatra, Celebes, and so on.

Malaysians see Sukarno as a dupe, if not an actual tool, of the Communist Chinese.

But if not brought to heel, he could provoke a disastrous situation which would make Vietnam look like a preliminary bout, they feel.

It is pointed out the Indonesian Communist Party is the biggest and most influential in this part of the world.

Furthermore, it sides with Peiping in the row with Moscow over the issue of advancing communism by violent revolution.

From here and Singapore it is easy to understand how these people consider themselves on the front line of the struggle against communism.

And they are not a little annoyed that most of the rest of the free world, especially the United States, doesn't appear concerned about Sukarno.

[From the New York Times, Dec. 18, 1963]

BRITAIN ASKS ALLIES TO HALT ARMS TO DJAKARTA

(By Peter Grose)

PARIS, December 17.—Britain warned the Western alliance today that British forces in Malaysia were threatened by a long campaign as dangerous as the United States struggle in South Vietnam.

The British Defense Minister, Peter Thorneycroft, urged members of the North Atlantic Treaty Organization not to permit shipments to Indonesia of arms that could be used against British troops. Before this meeting of the NATO Council, which ended today, British officials feared that the smaller European countries might make military contracts with Indonesia, not realizing the immediacy of the danger to the British in Malaysia.

The British Foreign Secretary, R. A. Butler, made a similar appeal yesterday against military assistance to Indonesia.

BELIEVE DANGERS ARE KNOWN

Both ministers indicated their belief that their partners in the Atlantic alliance now fully realize the dangers to Western interests in southeast Asia.

British officials considered this new awareness one of the most satisfactory results of the semiannual meeting.

They emphasized that the British Government was worried by the mounting threat from Indonesia, coming at the same time as recent anti-Western moves by Cambodia, and the continuing struggle in South Vietnam.

In his formal speech to the Council, Mr. Butler urged a more "outward-looking" Atlantic alliance, to take account of these challenges even though they come from far beyond the European scope of the organization's activity.

The U.S. attitude toward aid to Indonesia has been hesitant, although shipments of military equipment and new military training programs have been halted in the face of the threat to Malaysia.

The subject came up in talks between Mr. Butler and Secretary of State Dean Rusk just before the Council meeting of the alliance began, and may be discussed again when Mr. Rusk goes to London tomorrow.

QUESTION MAY ARISE AGAIN

Mr. Rusk was responsive to Britain's warnings, officials said, but expressed the hope that neither side in the conflict would be pushed into an open war.

Longstanding programs of American technical aid to Indonesia are continuing, the officials said, but no new commitments are being made.

The British maintain a force in Malaysia under a defense dependent nation, made up of the former British territories of Malaya, Singapore, Sarawak and Sabah (North Borneo).

Indonesia has opposed the federation on the ground that it is an attempt to maintain British influence in southeast Asia, and has declared a policy of "confrontation," including an economic boycott, against Malaysia.

BRITISH END INDONESIA PROJECT

LONDON, December 17.—Britain halted the construction of a multimillion-dollar radar system in Indonesia today because of the Djakarta Government's "hostility" toward neighboring Malaysia.

Peter Thomas, Minister of State for Foreign Affairs, said in the House of Commons that the construction was stopped after a request for help from Malaysia under the British-Malaysian defense agreement.

He said that Decca Radar, Ltd., was being asked to cease work on the construction of its extensive radar network, and that the Fairey Aviation Division of the Westland Aircraft Co. was being asked to cease work on its contract to service 18 antisubmarine Gannet patrol planes. Both companies will be indemnified for any losses.

These were the last two British contracts with the Indonesian armed forces. The radar installation was by far the largest and most important of the contracts. Thirty Decca employes and their families will be returning home. Westland employed only two men in Indonesia.

The cancellation will affect a touchy situation that has developed between Washington and London over the supplying of equipment to Indonesia's armed forces. The British have asked the United States to stop arms shipments to Indonesia, but American officials have pointed out that British companies also had contracts with the Indonesians.

Officials at Decca described their installation, which was started in 1959, as a "radar defense system," but an official said it was also obviously intended for commercial aviation in the widely scattered islands of the southeast Asia nation.

Unlike the servicing for the patrol planes, which a Westland Co. official said could be taken over by the Indonesians, the installation of the radar system was an intricate project that required detailed training and teamwork. It was unlikely that the work could be resumed quickly.

Mr. Thomas told Members of the House that "if the Indonesian Government would stop its confrontation policy, Britain would be only too happy to resume the friendliest of relations."

The Decca and Westland contracts were signed 4 years ago with the British Government's endorsement.

COINAGE OF 50-CENT PIECES BEARING THE LIKENESS OF JOHN FITZGERALD KENNEDY

Mr. PASTORE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 9413, a bill to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy.

The PRESIDING OFFICER (Mr. HART in the Chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9413) to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senate resumed the consideration of the bill (H.R. 9413) to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy.

Mr. ROBERTSON. Mr. President, the acting majority leader has obtained unanimous consent for the present consideration of H.R. 9413. That bill is in accordance with the request of our distinguished President made last week that there be stricken off a 50-cent coin bearing the likeness of our late lamented President, Mr. Kennedy.

The chairman of the House committee promptly introduced a bill and held limited hearings. The House passed that bill, with only six dissenting votes. And not all those votes really were against the bill; some Members thought it would be wise to have hearings and more extended consideration.

In keeping with established protocol, when the President requests legislation which would go to a committee, the chairman of the committee introduces such a bill by request. That is the action I took.

The majority leader asked me whether I would object to his calling up the bill as it passed the House without reference to the Committee on Banking and Currency, and I replied that I would not object because I had received a report on

the bill pending before the Committee on Banking and Currency which stated that the Treasury Department did not object to passage of the bill, provided it was passed before the 1st of January.

It appears that there is a shortage of small silver coins and of minor coins. The Philadelphia Mint is working day and night and still cannot meet the demand. That is why we have authorized a new mint in Philadelphia, and why we hope it will soon be under construction.

Whenever a new coin is issued, all the coin collectors want one or two of them for their collections, so if we do not provide for the coin in this session of Congress there will be in 1964 one 50-cent piece carrying the likeness of the great Benjamin Franklin and another carrying the likeness of the late John F. Kennedy. And the collectors will want one of each of these 50-cent pieces, making the present coin shortages much worse.

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

Mr. ROBERTSON. I yield.

Mr. DIRKSEN. I presume a case can be made for removing Benjamin Franklin from the half dollar and substituting the likeness of the late President Kennedy. Since we have the Lincoln penny, the Washington quarter, the Jefferson nickel, and the Roosevelt dime, the half dollar is the only fractional coin that does not carry the likeness of a President.

While I do not believe there would be any objection, this action will require a modification of the 1890 act, which provided that a change cannot be made before 25 years have elapsed, since Ben Franklin has been on the half dollar for only a period of 15 years.

I do not say that this is a particularly hasty action, but I wish to shed a few tears for Benjamin Franklin.

When the President came before the joint session on November 27, the one thing for which he received the greatest applause was his statement that the Government would be administered with the utmost thrift and frugality. Benjamin Franklin has historically, classically, and traditionally been the great apostle of thrift and frugality. Poor Richard's Almanac has been printed, I understand, in 75 languages. Therein are contained all the great epigrams for economy, for thrift, for providence and for frugality. It is no wonder that Thomas Jefferson, in writing to a friend long ago, had this to say of Franklin:

> He was the greatest man, an ornament of the age and the country in which he lived.

In German, in French, in Italian, in English, and most probably in oriental languages, Poor Richard's Almanac is still being published as the bible of thrift and frugality.

But I suppose the times have changed. New philosophies abound. This is, after all, the decade of the deficits. There is a belief that we can spend ourselves rich.

Balanced budgets are old fashioned. Why mind a rising public debt, since we owe it to ourselves? Thrift is for children with piggy banks, and frugality is "old hat."

So in the decade of deficits perhaps Mr. Franklin's idea that "A penny saved is two pence clear, a pin a day's a groat a year," is considered as modern twaddle.

It seems to me, if Franklin must go—and it distresses me—I should shed a tear for Poor Richard. When the Federal deficit for fiscal year 1964 and the projected deficits for 1965 and for 1966 are announced, let us ponder that it was Franklin who said:

> Get what you can, and what you get hold;
> 'Tis the stone that will turn all your lead into gold.

We do not have the philosopher's stone. Perhaps George Washington, who admired Franklin so much, might be willing to share the 25-cent piece with him.

So, as we make this change, I say, "Goodby, Benjamin Franklin, apostle of thrift and frugality. Evidently you are not so popular in the age of the deficit."

Mr. ROBERTSON. Mr. President, I fully endorse all the eloquent sentiments expressed by the distinguished minority leader concerning the late Benjamin Franklin. However, I feel certain that the names of some men have been carved so high on the scroll of fame that there is little we in this day and generation can do to add to their luster.

Incidentally, it was the great President from Illinois whose picture first appeared on one of our coins—Abraham Lincoln. I am glad he received that honor.

I am the chairman of the subcommittee which handles the appropriation bill for the Post Office Department. I watch that department go in the red about $800 million a year, though it should be self-supporting. I have frequently mentioned that Benjamin Franklin was the first Postmaster General. He balanced his budget; and he said that the Post Office Department should always be self-supporting.

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

Mr. ROBERTSON. I yield.

Mr. DIRKSEN. In the interest of historical accuracy I hope my friend from Virginia will check that remark, because Benjamin Franklin was not the first Postmaster General under the Constitution. That was Samuel Osgood. Benjamin Franklin was the Postmaster General under the Articles of Confederation.

Mr. ROBERTSON. Yes.

Mr. DIRKSEN. But not under the Constitution.

Mr. ROBERTSON. That is correct. He was the architect of the provision for the only socialistic scheme in our Constitution—that the Government own and operate the Post Office Department.

Mr. President, I wish to absolve our great President of any intention to detract in the slightest from the great Benjamin Franklin by cutting short the time his picture is shown on the 50-cent piece by 10 years.

It is true that normally Franklin's portrait would be on the 50-cent piece for 25 years. He has been on it for only 15 years. I am sure our great President did not intend any disrespect of Benjamin Franklin whatever in making the recommendation.

I ask unanimous consent that there be printed in the RECORD at this point a report submitted to me by the Treasury Department, showing that it had no objection provided it were done before the first of the year. In order to do that, I informed our distinguished majority leader and our distinguished minority leader that I would not object if they brought up the measure, because I did not know of any objection that would be offered either in the committee or on the floor. I have been told it would cost the taxpayer only $1,000.

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

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, December 13, 1963.

The Honorable A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on S. 2377, to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy.

The proposed legislation, which is identical with H.R. 9413, would provide for the coining of a 50-cent piece bearing the likeness of the late President, John Fitzgerald Kennedy, in lieu of the coinage of the Franklin half dollar. The bill would thus authorize a change in the design of the half dollar now being minted for general circulation.

The proposed legislation incorporates the draft bill submitted by the President to the Congress on December 10, 1963, and the Treasury Department recommends its enactment.

The Department would like to emphasize that the enactment of this legislation during the present session of Congress is of great importance. Such early enactment would greatly facilitate the operations of the mints in the changeover to the new design. The mints could begin the preparation of the necessary dies immediately and take other steps in connection with coin production to insure that the new design will appear on all 50-cent pieces coined in 1964. Otherwise, the mints would be required to continue the coinage of the Franklin half dollar after the end of this year. Should there be a limited coinage of Franklin half dollars in 1964 these coins would become collector's items and would be removed from general circulation thereby aggravating the shortage of coins.

As is well known, the mints are operating on a round-the-clock basis to meet the growing demand for coins. The operations of the mints are further hampered by their limited facilities. The Congress recognized this lack when it enacted legislation last spring authorizing the construction of a new mint.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee and that enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

G. D'ANDELOT BELIN,
General Counsel.

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

The bill (H.R. 9413) was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

STOCK OPTIONS IN CHRYSLER CORP.

Mr. GORE. Mr. President, the Wall Street Journal and the New York Times report today that a small group of insiders of Chrysler Corp. have engaged in a stock option manipulation from which large and quick profits have been realized. As I see it, this kind of deal cheats other stockholders and at the same time compensates them far beyond their approved salaries, by way of restricted stock option, and in such manner that only a low tax rate, if any, is paid.

I should like to read two paragraphs from the New York Times story:

Most of the shares disposed of by the Chrysler officers probably were obtained under the company's stock option plan. Mr. Townsend, president of the Chyrsler Corp., on February 28 had outstanding options on 24,100 shares at an average price of $24 a share, while the officers as a whole held outstanding prices ranging from $21 to $31 a share on the present stock. Chrysler was split 2 for 1 in April and has been selling recently in the $85 to $90 range. It closed today at 95⅛, up 5⅞.

This means that if the stock involved was bought under the option plan and sold outright, Mr. Townsend would have realized about $800,000 from resale and the total officer group would have realized upward of $4.5 million. The stock apparently was disposed of recently, since the transaction did not show up in the latest "insider" reports filed with the Securities and Exchange Commission and the New York Stock Exchange.

Mr. President, this is a wrong that must be corrected; an abuse that must be stopped; a loophole in the tax law by which corporation executives receive large compensation and avoid paying normal taxes thereupon.

I am happy to report to the Senate that I called this matter to the attention of the Senate Finance Committee this morning, meeting in executive session. After some discussion, the distinguished chairman, the Senator from Virginia [Mr. BYRD], without objection from the committee, directed the Treasury Department and the technical staff of the Joint Committee on Internal Revenue to inquire into this operation and report to the Senate Finance Committee after the holidays.

It is an example of tax avoidance schemes which must be dealt with when a revenue measure comes to the floor of the Senate.

I ask unanimous consent that the article in the Wall Street Journal and the article in the New York Times to which I have referred be printed at this point in the RECORD.

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

[From the Wall Street Journal, Dec. 18, 1963]

CHRYSLER OFFICERS' SALE OF OPTION STOCK COULD STIR TAX BILL DEBATE—IT'S LIKELY TO GIVE AMMUNITION TO SENATORS WHO PLAN FIGHT TO TAX OPTIONS MORE HEAVILY

(By Frederick Taylor)

DETROIT.—Chrysler Corp. stockholders were told yesterday that President Lynn A. Townsend had sold or given away 12,780 Chrysler shares and that other Chrysler executives had disposed of 64,743 shares.

That seemingly matter-of-fact report is likely to touch off another round of a controversy that has raged off and on since 1950—a controversy about stock options, their use and alleged misuse. And it may very well have an impact on the treatment of options in the tax bill Congress is expected to pass early next year.

George Love, Chrysler chairman, devoted the bulk of his prepared remarks to the stockholders, who were called to the special meeting to approve a 2-for-1 stock split, to the dealings of Chrysler executives in the company's stock. He reported that since February 28 Chrysler executives—a company official later said between 20 and 25 of them—bought 205,498 shares, and sold or gave away 77,523 of them. Mr. Love said he personally had bought 40,000 shares, bringing his holdings to 42,000, and hadn't sold any. But, he said, Mr. Townsend had purchased 18,800 shares and sold or given away 12,780 of them. Mr. Townsend later said his gifts had amounted to nearly 1,000 shares.

HELD ABOUT MINIMUM TIME

Mr. Love did not say so yesterday, but the bulk of the shares that were sold were originally purchased, through exercise of stock options, in mid and late May, and sold in early December. This means they were owned just a little longer than the holding period of 6 months required to allow the executives to keep the profit on the sale, rather than having to pay it to the company. That fact alone seems certain to stir a fuss even aside from the large profits the options and sales meant for the Chrysler executives involved.

Under the type of stock option plan Congress authorized in 1950, a company can grant executives options to buy stock at 95 percent of the market price on the day the option is granted. The executives have up to 10 years to exercise the options; it is to their advantage, of course, to do so if the market price rises.

If the executives then wait 6 months and sell the stock they have bought under options, their profit on the sale, if any, is taxed at capital gains rates, which never go above 25 percent, rather than ordinary income rates, which can range up to 91 percent for a high-salaried executive. An executive is effectively barred from selling his stock in less than 6 months, not by option rules, but by a provision of the 1934 Securities Exchange Act. This requires an executive making a profit on transactions in stock of his own company held less than 6 months to pay that profit to the company.

Proponents of stock options argue that they are needed to provide a way for a heavily taxed executive to buy his company's stock. They also say that options give the executive an incentive to work hard, since if company profits improve and the price of the stock rises his option can become very valuable.

CRITICS' ARGUMENTS

But critics—who include Congressmen, Senators, and some academicians and small shareholders—contend that options too often become a device to allow an executive to make a quick stock-market profit as a sort of lightly taxed addition to his regular pay. The tax-cut bill that passed the House last summer contained provisions for tougher tax treatment of options. Washington sources say the Chrysler transactions are almost certain to provide ammunition for such option opponents as Senator GORE, Democrat, of Tennessee, to argue for still tougher rules when the Senate Finance Committee begins considering this section of the bill, probably in January.

Last May 13, Chrysler officers exercised their option rights to purchase 93,000 shares of Chrysler stock. They included Mr. Townsend, who bought 17,000 shares, raising his ownership to 21,200 shares.

These shares were bought at option prices ranging from $21 to $31 a share. The market price of Chrysler stock at the time these shares were purchased, which was between May 10 and May 24, according to forms filed with SEC, ranged from $53.62 to $58.25. The options had been granted, but not exercised, at least 2 years before the stock was bought.

The stock was disposed of in early December, and full details on who sold how much won't be available until the January reports of the SEC and the New York Stock Exchange are published. But Chrysler stock in early December ranged between $84.37 and $90.25.

Assuming that at least 75,000 of the 77,523 shares were sold rather than given away, the selling stockholders made a gross profit of more than $4 million—possibly a great deal more, since potential profit ranged from $53.37 to $69.25 a share. President Townsend's gross profits alone were, at minimum, more than $600,000—or more than three times his 1962 salary and bonus.

Chairman Love told stockholders that Consolidation Coal Co., of which he also is chairman, had bought 59,000 shares of the optioned stock sold by Chrysler executives. These were among purchases that have boosted Consolidation Coal's interest in Chrysler to 1,406,000 shares from 1,272,000 shares last April.

Mr. Love said Consolidation Coal had paid the then prevailing market price for the stock bought from Chrysler executives, but the transaction was made privately rather than on a stock exchange. This means the Chrysler executives did not have to pay brokerage commission on the sale. It also means they were able to dispose of the 59,000 shares sold to Consolidation Coal at a single price; sale of that many shares on an exchange might have caused the price to drop.

DEFENSE OF SALE

While relatively quick and profitable sales of stock bought under options are entirely legal, some companies lately have shown signs of becoming sensitive to the criticism such sales often have sparked. Mr. Love yesterday gave Chrysler stockholders what seemed to be one defense of the sales by company executives. He said participants in the Chrysler stock option plan usually had to borrow the money to buy the optioned stock. To eliminate the debt, he said, it was generally necessary for officers to sell a portion of the shares once the 6-month period was up.

Some companies have added provisions to their option plans requiring executives to hold their shares longer than 6 months—for 2 years in the case of General Foods Corp., which last year revised its option plan. Chrysler itself once required an executive to put in writing his "intention to acquire the optioned shares for investment and not with a view to distributing them"—that is, selling them or giving them away. But that provision of its option plan was quietly dropped before the last regular stockholders' meeting in April.

Congressional critics have been getting much tougher. The House, as part of the tax-cut bill, has passed a measure which would force an executive to hold optioned stocks at least 3 years, not 6 months, to obtain full capital gains benefits from a subsequent sale. If he sold the stock after 6 months, but before 3 years, the tax treatment would be less favorable. As the bill now stands, it will apply to new options granted after June 11, 1963.

SENATE VOTING SCHEDULE

The Senate Finance Committee is not expected to vote on stock option provisions of the bill until next month, with Senate floor action expected in late January or early February.

On the floor, Senator GORE intends to fight to have all profits from stock options treated as ordinary income to be taxed at regular rates, no matter when the stock is sold; this of course would make option plans far less desirable. Senator GORE and his staff are known to be searching for examples of option abuses to cite in the floor debate.

Options have not lacked for defenders in the congressional debates. They usually have taken the line of Henry Ford II, chairman of Ford Motor Co., who told the House Ways and Means Committee earlier this year that "restricted stock options make it possible for stockholders to take executives in as partners and give them a potential proprietary interest in the business. A proprietary interest leads the executive to think and act less as a hired hand and more as an owner-manager."

Even some defenders of options, however, have questioned the wisdom of providing favorable tax treatment for sales of optioned stock held only the required 6 months. Prof. Don Throop Smith of the Harvard Business School, in a statement to the Senate Finance Committee, said that "stock options and special tax treatment of them appear justified if the options really lead to long-continued proprietary interests." But he added: "Their use for quick profit by prompt sale of stock purchased under options has no justification."

RISE OF CHRYSLER STOCK

Chrysler itself alluded mainly to desire for its managers to own a piece of the business when it originally set up its stock option plan in 1952. The company then said "One of the considerations underlying the adoption of such plans is that under tax conditions prevailing in recent years it has not been practicable for salaried officers and key employees of corporations either to acquire any substantial number of shares out of what they have left out of their salaries or to pay taxes on them if received as bonuses."

The question of Chrysler executives profiting from stock options has been academic until lately. As recently as June 1962 Chrysler stock was selling for only $38.75 a share, well below the option prices then existing. But it began to rise, reflecting a sharp improvement in the company's car sales, and by the end of the year hit $75. In February, when the stock topped $80, directors voted a 2-for-1 split, effective April 19. And in October, with the split shares being quoted at $90 each, directors voted a second split, which stockholders yesterday approved, effective Friday.

The last time an auto company president sold a big block of stock bought on options, the resulting furor caused him to call a special press conference. In early 1960 an SEC "insider's" report showed that George Romney, then president of American Motors Corp., had sold 10,000 shares. The price on the New York Stock Exchange broke sharply, and Mr. Romney called a press conference to explain that in 1958 he borrowed money to exercise options of $9.56 a share granted to him in 1954. He sold at $90 a share.

Out of the $900,000 this brought in, Mr. Romney said, he had $430,000 left after paying capital gains taxes, repaying his loan and other debts, and giving $70,000 to his church. He said that as soon as regulations permitted he would use most of this profit to buy more stock under option. And after 6 months he did.

[From the New York Times, Dec. 17, 1963]

CHRYSLER CHIEFS DISPOSE OF STOCK—PRESIDENT SELLS TWO-THIRDS OF RECENT PURCHASES UNDER OPTION PLAN—MOVE CALLED "NORMAL"—HOLDERS APPROVE 2-FOR-1 SPLIT—THEY HEAR SALES WILL SHOW GAIN THIS YEAR

(By David R. Jones)

DETROIT, December 17.—Lynn A. Townsend, president of the Chrysler Corp., has disposed of two-thirds of the stock he recently bought in the company. And Chrysler officers as a whole have disposed of more than 30 percent of their recent purchases.

George H. Love, Chrysler chairman, disclosed this at a special stockholder meeting today in the company's headquarters here. Stockholders approved a 2-for-1 split in Chrysler's stock, effective Friday—the company's second split this year.

Mr. Love said that Mr. Townsend had recently purchased 18,800 Chrysler shares, but had later disposed of 12,780 through sales, charitable contributions, and other gifts. He said the officers as a whole had recently increased their holdings by a total of 250,264 shares, but had disposed of 77,523 shares, to leave a net gain of 172,741.

OBTAINED ON OPTION PLAN

Most of the shares disposed of by the Chrysler officers probably were obtained under the company's stock option plan. Mr. Townsend on February 28 had outstanding options on 24,100 shares at an average price of $24 a share, while the officers as a whole held outstanding prices ranging from $21 to $31 a share on the present stock. Chrysler was split 2 for 1 in April and has been selling recently in the $85-$90 range. It closed today at 95⅛, up 5⅞.

This means that if the stock involved was bought under the option plan and sold outright, Mr. Townsend would have realized about $800,000 from resale and the total officer group would have realized upward of $4.5 million. The stock apparently was disposed of recently, since the transactions did not show up in the latest "insider" reports filed with the Securities and Exchange Commission and the New York Stock Exchange.

Mr. Love said stock dispositions of the type made by the Chrysler officers "result from the normal operation of the stock option plan." Officers using the plan usually have to borrow funds to meet the option price, he said, and to retire this debt "it is generally necessary for officers to sell a portion of the shares after having held them for at least 6 months to comply with Internal Revenue and Securities Exchange rules. The proceeds of such a sale can then be used to pay the taxes incurred by the sale, to retire the debt, or in some cases for personal obligations."

Despite the recent disposition of stock by Chrysler officers, Mr. Love said, the option plan has encouraged them to raise holdings and, as of yesterday, they still held 190,073 shares against an equivalent of 17,332 shares in the spring of 1961. Mr. Love said he has not disposed of any shares, but has increased his own holdings by 40,000 shares to 42,400 shares. He said Mr. Townsend's net holdings have risen by 6,020 shares to 8,420 shares.

Mr. Love said Consolidation Coal Co., of which he also is chairman, has continued to buy Chrysler stock. He said the company now holds 1,406,000 shares, or about 7.7 percent of the total Chrysler shares outstanding, against 1,272,000 shares last April.

Mr. Townsend told 54 shareholders at the meeting that it appeared that sales of Chrysler and its wholly owned subsidiaries will top $3 billion this year, up sharply from the $2.38 billion posted of 1962 and the highest level since 1960. He declined after the meeting to forecast 1963 earnings, saying only that Chrysler would have a "pretty good" fourth quarter.

Auto sales are holding up "very, very well," Mr. Townsend said. He said Chrysler had skilled laborers being laid off as Studebaker Corp., ends auto assembly at South Bend, Ind., this week. Chrysler employment now is about 98,000, which is the highest since September 1960, he said.

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

Mr. GORE. I yield.

Mr. GRUENING. I read the article this morning with much interest. I wonder if the Senator could enlighten me and other Senators as to how it is possible, when a man makes a substantial profit, as indicated by the transaction, running perhaps into hundreds of thousands of dollars, not to have it added to his taxable income for income tax purposes. How is such an evasion made possible?

Mr. GORE. As I understand the law, it provides that a corporation may give restricted options to a few at less than the market value; those options may be exercised or not exercised in the future by such corporation officers. Moreover, when such an option is exercised, no tax liability accrues under the law.

I do not suggest that those individuals have violated a law. They have taken advantage of a provision of favoritism in the law.

The senior Senator from Tennessee does not know the exact amount of profits realized by the few corporation insiders. The article points out that perhaps 20 of the highest ranking officials are involved and that, as a total, they have made a profit, within less than a year, of $4½ million. This $4½ million rightfully belongs to the stockholders of the Chrysler Corp. These officials, being in the position they hold, have obviously taken advantage of their authority as officers of the corporation and have sponsored this plan—which I take it has been approved by the stockholders. As the Senator knows, this is usually done by proxy. So the $4½ million, according to the estimate of the article which I have asked to have printed, has gone, not to the general stockholders, but to a few corporation insiders who were given, or who arranged for themselves, the privilege of buying a restricted stock option.

As the Senator will recall, I read the statement that the Chrysler stock was split in April. What was paid for it, I do not know, but an estimate is made that if one corporation official had sold within the past few weeks the stock which he had optioned earlier this year, he would have realized a profit of $800,000. Even though that be true, and even though it be given to him as compensation for his services to the corporation,

he would not pay a tax on such reward as a laborer in the Chrysler plant would pay on his wages.

Indeed, at the time he exercises this option he pays no tax whatever.

The PRESIDING OFFICER. The Chair is advised that after the passage of the currency bill the Senate returned to the consideration of morning business under a limitation of time.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Tennessee may have an additional 3 minutes yielded to him.

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

Mr. GRUENING. I thank the Senator from Tennessee for his explanation. I am still shocked to learn of this tax windfall, which seems a windfall for the very few who are in the privileged position of being at high corporate levels, and of having such a bonanza handed to them, a privilege which is not enjoyed by the run-of-the-mine citizens. I hope that this situation will be corrected in committee. I congratulate the Senator for his vigilance and for calling the situation to the attention of the Senate. Senators will be interested to see what the result will be in committee. I hope loopholes such as these will be closed in the committee, so that they may be eliminated once and for all in common justice to the many taxpayers who pay their taxes without avoidance.

Mr. GORE. I point out to the Senator that there is a provision in the law, unfortunately, which would permit the insider who bought for $21 a stock which now is selling on the market for $95 to donate the stock to a so-called charitable foundation or other charity, and to take tax deduction for the current value of the stock without having to pay tax on the gain.

Mr. GRUENING. Earlier today I made a few remarks on the tax bill and had printed in the RECORD a second article by Stewart Alsop, published in the current issue of the Saturday Evening Post. It is entitled "More on the Great Tax Myth." It brings home what so many people do not know; namely, that those in the higher income brackets do not pay higher taxes, and that in many cases a man with an income of millions of dollars actually pays less in tax than a person who makes a few thousand dollars.

If such a situation exists, it is my hope that it will be corrected in the pending bill. If it is not corrected in committee, I hope it will be taken care of on the floor when the Senate considers the bill. I hope that when our colleagues in the Senate go home they will be in a position to explain the situation to their constituents. The bill is complicated, and I doubt whether many Members of the House or Senate are familiar with all its details. I hope that their constituents will ask them the kind of questions that will elicit from their Representatives in the House and in the Senate the kind of responsive answers to which constituents are entitled.

Mr. GORE. I thank the Senator. I agree with him. I should like to point out one additional fact. The newspaper article points out that Mr. George Love, chairman of the board of the Chrysler Corp., has not sold any of his stock.

The PRESIDING OFFICER. The additional time allotted to the Senator has expired.

Mr. GORE. Mr. President, I ask unanimous consent to proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. GORE. If he is in a position to hold the stock, he can pass it on to his son or to grandson without paying either income or capital gains taxes. Neither son nor grandson would be required to pay income tax or capital gains tax. Meanwhile, every worker who draws a salary or wage on Friday afternoon has the heavy hand of the Government taking a portion of his paycheck.

This is not fair. This is not right. This is not social justice. This situation must be corrected.

I know that those who speak for big business try to say that these are only paper profits. A person can sell the stock. Consider this new Federal Reserve note that I have in hand. It is not supported by silver or gold. It is paper, too. The man who works for $1.25 an hour receives a "paper" reward for his services. So do the beneficiaries of restricted stock options.

If corporation insiders of Chrysler Corp., and others have received compensation, they should pay taxes on their income at the time they exercise their option. This will be one of the major amendments to the tax bill when it reaches the floor.

Mr. GRUENING. I commend the Senator from Tennessee on bringing out the underlying facts of the proposed tax legislation which should be known to all our constituents before the bill is finally disposed of in the Senate.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1964—CONFERENCE REPORT

Mr. McCLELLAN. 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. 7063) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, 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 PRESIDING OFFICE. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

Mr. McCLELLAN. Mr. President, the total of the bill as agreed to by the conferees is $1,820,093,000.

This sum is $1,250,000 below the total recommended by the Senate, and is $31,176,900 under the total allowed in the House bill.

Furthermore, the bill as reported by the conferees is about $340 million under the total budget estimates submitted.

I think it is a good bill and one in which I believe there are ample funds to meet the necessary expenses of the various activities this fiscal year.

Some of the changes recommended by the conferees, and in which I believe Members may be interested, relate to the following:

For the east-west program at the University of Hawaii, an appropriation of $5,100,000 is provided. Although this sum is $339,000 below the Senate recommendation, it is $640,000 above the should be sufficient to meet the essential amount proposed by the House and operating and capital outlay expenses proposed by the Center this fiscal year.

For the Justice Department, a total appropriation of $18,573,000 is provided for the salaries and expenses of the Department's general legal activities. This is the amount proposed by the House but is an increase of $1,477,350 over the 1963 appropriation. I call attention to the conference report at page 5, which has this to say concerning the item:

> Any additional lawyers for the Civil Rights or Tax Divisions that have been justified before the Senate or House Committee on Appropriations and that are needed can be funded within the amount allowed.

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

Mr. McCLELLAN. I will yield briefly. However, if the discussion continues for any length of time on the conference report, I have agreed to yield to a Senator who has been waiting for quite a long time to obtain the floor to make an address. With that in mind, if this discussion can be expedited, I will yield.

Mr. KEATING. I shall be very brief. As I understand, the conferees have agreed to strike out the amendment adopted by the Senate, which was for $60,000 more, and also to eliminate the $84,000 which the Senate committee had added. Therefore, the total is $144,000 less than the amount which was in the Senate bill for this item. But the language in the conference report, which the Senator has just read, will supersede the language in the Senate report. So far as the legislative history is concerned, the result would be that if the Attorney General desired to employ additional lawyers for the Civil Rights Division, and his request were justified before either the Senate committee or the House committee, he would be free to do so. Is that a fair statement?

Mr. McCLELLAN. Within the amount of money appropriated. That means, as I indicated on the floor of the Senate a few days ago, that when he thinks authority is not needed, he can employ them anyway. But now the requirement is spelled out in the report, so there can be no question about the intent of Congress.

Mr. KEATING. Has the Attorney General justified before any committee the employment of additional lawyers for the Civil Rights Division?

Mr. McCLELLAN. He has justified it in this way: He has requested additional counsel for that Division. Whether that can be called justification or not, I do not know. I assume that from the standpoint of the Department, the request has been justified. The representatives of the Department appeared and testified on the subject. I do not believe they would be authorized to employ attorneys they had not requested before either the House or the Senate committee; but within the request, and according to the testimony they gave, I believe they would be justified in doing so.

Mr. KEATING. As I recall, the Department requested eight more attorneys than were allowed in the request which the Senate passed upon.

Mr. McCLELLAN. That is correct; and the House had allowed that number, so I take it that that would sustain their position that they had justified that number. The House found that they had justified that number; and the language provides that until the request had been justified before either the House or the Senate committee, the Department would not be authorized to do so.

Mr. KEATING. There is an item in the newspapers today to the effect that this provision would allow the Department to add 15 new lawyers. The Senator does not agree with that statement, I take it.

Mr. McCLELLAN. I do not think that would be so. That is not my final judgment at the moment, but I do not think so. To the extent that the Department made a showing, the House recognized it, and it was justified, because the House allowed at least eight additional attorneys. Under this language, if the Department justified such a request before the House, it would be entitled to employ such attorneys.

Mr. KEATING. This is a news item.

Mr. McCLELLAN. I am not familiar with the news item.

Mr. KEATING. I desired to ask the Senator what he knew about a factual statement to the effect that Department officials said they were satisfied with the compromise.

Mr. McCLELLAN. I have not been advised whether they are satisfied or not, I regret to say.

Mr. KEATING. The language in the conference report that includes the Civil Rights Division relates to one of the divisions in which the additional lawyers contemplated will be employed, and did not eliminate the Civil Rights Division, as the Senate report did, is a satisfactory disposition of the matter, provided the number is such that the Attorney General can live with it.

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

Mr. McCLELLAN. I yield.

Mr. JAVITS. First, I associate myself with the remarks of my colleague from New York [Mr. KEATING] on this subject. The conference report is a distinct improvement in having eliminated the implied exclusion of the Civil Rights Division which was in the Senate committee report. The situation is now up to the Department of Justice, and the Department has indicated its views and intentions.

It will be up to people like ourselves to see that they stick to the idea and that they get enough personnel in that Division to enforce the civil rights statutes—not that they are now inhibited, but we would have liked to see them get the additional money.

INFORMATIONAL MEDIA GUARANTEE FUND

Amendment No. 40 relates to the informational media guarantee fund, a question about which I exchanged some views with the Senator when the matter was before the Senate for debate. I notice that $750,000 has been allowed. Can the Senator state the basis of the rationale for that sum?

Mr. McCLELLAN. With respect to the additional $100,000, the House Members felt that the sum should be increased, and that was the amount agreed upon. No major issue was involved. When we go to conferences, there are always differences. Every Member has his own honest opinion as to what is needed and what is not. A little matter like this was resolved without any serious discussion. We agreed upon an amount that was mutually satisfactory.

Mr. JAVITS. I realize that a relatively small sum is involved. Actually, it is substantial, but it is relatively small. The Senator will recall that the use of the appropriated $650,000 as reflected in the committee report was for the payment of interest on the debt owed the Treasury. The added $100,000 would, I assume, therefore, be available, small as it is, for the general purposes of carrying out the program.

Mr. McCLELLAN. That is correct.

Mr. JAVITS. So the basis for compromise allows, even to a minuscule extent, but at least to some minor extent, the program "to continue."

Mr. McCLELLAN. That is correct.

Mr. JAVITS. I thank the Senator.

Mr. McCLELLAN. Mr. President, included in the allowances for the Commerce Department, I would like to mention that in the transportation research appropriation it was agreed that $2 million would be sufficient this fiscal year to cover the proposed program expenses in this activity. This sum is $500,000 over the House allowance and $250,000 below the amount proposed by the Senate.

For the U.S. Arms Control and Disarmament Agency the sum of $7,500,000 is allowed. This amount is three-fourths of the authorization and is considered sufficient to meet the programs planned by the Agency this fiscal year. Last year $6,500,000 was provided for the Agency.

For the U.S. Information Agency, the sum of $134 million is allowed for salaries and expenses, instead of $131 million proposed by the House and $138,500,000 proposed by the Senate.

For the Agency's informational media guarantee fund, an appropriation of $750,000 is provided. This is $100,000 over the amount recommended by the Senate.

Mr. FULBRIGHT. Mr. President, last Thursday a number of my colleagues—including at least three members of the Committee on Foreign Relations—questioned certain language in the Senate report on H.R. 7063, which directed the phasing out of the informational media guarantee program conducted by the USIA. Because of other urgent legislative business, I was unable at that time to make the statement I had prepared on that subject. Let me take this occasion to subscribe to the sentiments voiced by Senators in favor of continuing the IMG program. I am glad to note that the conferees on the bill provided at least a modest increase for the program over the figure in the Senate bill.

However, the Senate Appropriations Committee report on H.R. 7063 contained other language of the same character which is equally important, and which—to my knowledge—has not as yet been discussed in this Chamber. The report, on page 23, makes the following statement about U.S. Information Agency operations:

> The committee notes that the Agency is initiating some reductions in its Western European programs pursuant to previous committee recommendation. The committee insists that drastic reductions be made in this area and that funds and personnel be transferred from this area to areas of higher priority.

Frankly, I am baffled by this foreign policy directive in an Appropriations Committee report. Certainly I—and, I believe, many other members of the Foreign Relations Committee—had been under the impression that Western Europe has the highest priority in the strategic plans of the United States. Perhaps it might be suggested that Europeans are too knowledgeable about our policies to require any information, or so sophisticated as to be impervious to it. The record sustains neither point. We need not look beyond France to find misunderstanding or misinterpretation of U.S. policy. And we have no evidence that USIA activities are not effective; on the contrary, we have good reason to believe they are.

I understand that, since fiscal year 1957, the U.S. Information Agency has reduced its annual expenditures in Western Europe by almost 40 percent, it has eliminated or converted to binational status 13 posts, and it has cut out a rough average of 45 percent of the positions held by American and local employees. It is my firm conviction that this process has already gone far enough—if not too far—and I do not believe that any case can be made for further "drastic reductions."

I had the honor and privilege of having been named as a conferee on H.R. 7063. Owing to President Johnson's invitation to accompany him to the United Nations yesterday, I was unable to attend the conference and to raise this issue in person. However, my distinguished senior colleague from Arkansas, with his usual courtesy and generosity, made available to the conference committee a letter on this subject I received from the Acting Secretary of State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the December 16 letter to me from Acting Secretary of State George W. Ball.

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

DECEMBER 16, 1963.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: In the Senate report which accompanied the 1964 appropriations bill covering various departments and agencies, including the Department of State and USIA, language was included concerning USIA's West Europe program as follows: "The committee insists that drastic reductions be made in West Europe and that funds and personnel be transferred from this area to areas of higher priority."

This matter has been discussed here at the Department and is of great concern to us. We very much feel that the role of USIA in giving the United States its own voice into important segments of European opinion is as great if not greater now than it has been in the past. As we get into the Kennedy round of tariff negotiations and as debate with respect to NATO and to our relationships with Europe increases, it is even more important that we have channels for directly putting our own point of view to Europe. USIA has an important part to play in this and we would be very reluctant to see its role further reduced.

Thus, we would appreciate any help which you may be able to give in the conference committee and in the Senate to assure that the effectiveness of USIA in Europe is not further impaired.

Sincerely,

GEORGE W. BALL,
Acting Secretary.

Mr. MCCLELLAN. Mr. President, I ask unanimous consent that the summary of the bill for the fiscal year 1964, which shows the various appropriations concerning the departments and agencies included in the bill, be printed at this point in the RECORD.

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

SUMMARY OF BILL

Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, 1964 (H.R. 7063)

TITLE I—DEPARTMENT OF STATE

Item	Appropriations, 1963	Budget estimates, 1964	Bill		Conference action
			House version	Senate version	
ADMINISTRATION OF FOREIGN AFFAIRS					
Salaries and expenses	$147,548,500	$162,800,000	$153,000,000	$153,000,000	$153,000,000
Representation allowances	950,000	996,000	973,000	973,000	973,000
Acquisition, operation, and maintenance of buildings abroad	10,000,000	27,000,000		18,500,000	18,125,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	2,205,000	3,900,000	2,750,000	3,900,000	2,750,000
Emergencies in the diplomatic and consular service	1,800,000	1,600,000	1,500,000	1,500,000	1,500,000
Total, administration of foreign affairs	162,503,500	196,296,000	158,223,000	177,873,000	176,348,000
INTERNATIONAL ORGANIZATIONS AND CONFERENCES					
Contributions to international organizations	69,227,000	81,821,000	81,305,000	81,305,000	81,305,000
Missions to international organizations	2,321,800	2,745,000	2,500,000	2,545,000	2,500,000
International conferences and contingencies	3,117,000	2,170,000	1,943,000	1,943,000	1,943,000
International tariff negotiations		495,000	450,000	365,000	365,000
Loans to the United Nations	100,000,000				
Total, international organizations and conferences	174,665,800	87,231,000	86,198,000	86,158,000	86,113,000
INTERNATIONAL COMMISSIONS					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	691,850	729,000	715,000	715,000	715,000
Operation and maintenance	1,971,850	2,043,000	2,015,000	2,015,000	2,015,000
Construction	11,000,000	8,354,000	8,000,000	6,500,000	6,500,000
Total, International Boundary and Water Commission, United States and Mexico	13,663,700	11,126,000	10,730,000	9,230,000	9,230,000
American sections, international commissions	415,000	500,000	430,000	430,000	430,000
International fisheries commissions	1,910,000	2,053,000	1,910,000	2,053,000	2,000,000
Total, international commissions	15,988,700	13,679,000	13,070,000	11,713,000	11,660,000
EDUCATIONAL EXCHANGE					
Mutual educational and cultural exchange activities	41,950,000	55,975,000	42,250,000	43,000,000	42,625,000
Center for cultural and technical interchange between East and West	8,340,000	5,690,000	4,460,000	5,439,000	5,100,000
Total, educational exchange	50,290,000	61,665,000	46,710,000	48,439,000	47,725,000
OTHER					
Rama Rd., Nicaragua	1,500,000	850,000	850,000	850,000	850,000
Total, title I, Department of State	404,948,000	359,721,000	305,051,000	325,033,000	322,696,000

TITLE II—DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION					
Salaries and expenses, general administration	$4,428,000	$4,778,000	$4,660,000	$4,660,000	$4,660,000
Salaries and expenses, general legal activities	17,095,650	19,173,000	18,573,000	18,717,000	18,573,000
Alien property activities, limitation on general administrative expenses	(690,000)	(874,000)	(690,000)	(690,000)	(690,000)
Salaries and expenses, Antitrust Division	6,218,850	6,600,000	6,600,000	6,600,000	6,600,000
Salaries and expenses, U.S. attorneys and marshals	28,167,000	29,580,000	29,230,000	29,230,000	29,230,000
Fees and expenses of witnesses	2,500,000	2,400,000	2,300,000	2,300,000	2,300,000
Salaries and expenses, Administrative Conference of the United States	100,000				
Total, legal activities and general administration	58,509,500	62,531,000	61,363,000	61,507,000	61,363,000
FEDERAL BUREAU OF INVESTIGATION					
Salaries and expenses	135,925,000	146,900,000	146,900,000	146,900,000	146,900,000
IMMIGRATION AND NATURALIZATION SERVICE					
Salaries and expenses	66,272,050	70,000,000	69,011,000	69,011,000	69,011,000
FEDERAL PRISON SYSTEM					
Salaries and expenses, Bureau of Prisons	50,241,850	54,100,000	53,000,000	53,084,000	53,000,000
Buildings and facilities	3,545,000	17,775,000	9,425,000	9,875,000	9,525,000
Support of U.S. prisoners	4,100,000	4,200,000	4,100,000	4,100,000	4,100,000
Total, Federal prison system	57,886,850	76,075,000	66,525,000	67,059,000	66,625,000
Total, title II, Department of Justice	318,593,400	355,506,000	343,799,000	344,477,000	343,899,000

Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, 1964 (H.R. 7063)—Continued

TITLE III—DEPARTMENT OF COMMERCE

Item	Appropriations, 1963	Budget estimates, 1964	Bill		Conference action
			House version	Senate version	
GENERAL ADMINISTRATION					
Salaries and expenses	$3,952,000	$4,520,000	$4,000,000	$4,000,000	$4,000,000
AREA REDEVELOPMENT ADMINISTRATION					
Operations	12,416,250	14,800,000	13,500,000	13,500,000	13,500,000
Grants for public facilities	35,000,000	35,000,000			
Area redevelopment fund	115,050,000	190,000,000	132,000,000	132,000,000	132,000,000
Total, Area Redevelopment Administration	162,466,250	239,800,000	145,500,000	145,500,000	145,500,000
BUSINESS AND DEFENSE SERVICES ADMINISTRATION					
Salaries and expenses	5,058,750	6,250,000	4,600,000	4,600,000	4,600,000
OFFICE OF BUSINESS ECONOMICS					
Salaries and expenses	1,868,750	2,350,000	2,000,000	2,000,000	2,000,000
BUREAU OF THE CENSUS					
Salaries and expenses	12,830,000	17,220,000	14,000,000	13,650,000	13,650,000
1962 census of governments	1,050,000	370,000	350,000	350,000	350,000
1963 censuses of business, transportation, manufactures, and mineral industries	3,071,250	8,575,000	8,500,000	8,500,000	8,500,000
1964 Census of Agriculture	700,000	1,345,000	1,345,000	1,345,000	1,345,000
Modernization of computing equipment	4,000,000	4,640,000	4,500,000	4,500,000	4,500,000
Preparation for Nineteenth Decennial Census		740,000	740,000	740,000	740,000
National housing inventory		210,000			
Eighteenth Decennial Census	38,000				
Total, Bureau of the Census	21,689,250	33,100,000	29,435,000	29,085,000	29,085,000
OFFICE OF FIELD SERVICES					
Salaries and expenses	3,445,000	5,000,000	3,725,000	3,725,000	3,725,000
INTERNATIONAL ACTIVITIES					
Salaries and expenses	7,191,250	15,400,000	9,500,000	9,230,000	9,230,000
Export control	3,837,500	4,100,000	4,100,000	4,100,000	4,100,000
Total, international activities	11,028,750	19,500,000	13,600,000	13,330,000	13,330,000
OFFICE OF TRADE ADJUSTMENT					
Trade adjustment assistance	25,000	700,000	100,000	100,000	100,000
Trade adjustment loans and guarantees		1,000,000			
Total, Office of Trade Adjustment	25,000	1,700,000	100,000	100,000	100,000
U.S. TRAVEL SERVICE					
Salaries and expenses	3,350,000	4,200,000	2,600,000	2,600,000	2,600,000
CIVILIAN INDUSTRIAL TECHNOLOGY					
Expenses	625,000	7,400,000	1,000,000	1,000,000	1,000,000
COAST AND GEODETIC SURVEY					
Salaries and expenses	22,987,500	27,900,000	25,000,000	25,000,000	25,000,000
Construction of surveying ships	14,400,000	13,000,000	13,000,000	13,000,000	13,000,000
Total, Coast and Geodetic Survey	37,387,500	40,900,000	38,000,000	38,000,000	38,000,000
PATENT OFFICE					
Salaries and expenses	27,545,000	32,300,000	29,000,000	29,525,000	29,250,000
NATIONAL BUREAU OF STANDARDS					
Research and technical services	28,165,000	33,250,000	28,075,000	29,575,000	28,700,000
Research and technical services (special foreign currency program)	500,000	1,000,000	500,000	500,000	500,000
Fire technology		1,200,000			
Plant and facilities	2,000,000	6,000,000	3,000,000	3,000,000	3,000,000
Construction of facilities	30,000,000	16,000,000	7,713,000	7,713,000	7,713,000
Total, National Bureau of Standards	60,665,000	57,450,000	39,288,000	40,788,000	39,913,000
OFFICE OF TECHNICAL SERVICES					
Salaries and expenses	47,500	1,700,000	1,020,000	1,020,000	1,020,000
WEATHER BUREAU					
Salaries and expenses	60,735,000	67,200,000	63,000,000	64,527,100	64,527,100
Research and development	11,118,750	13,500,000	9,500,000	11,300,000	10,400,000
Research and development (special foreign currency program)		1,000,000	250,000	250,000	250,000
Establishment of meteorological facilities	4,325,000	4,800,000	4,800,000	4,800,000	4,800,000
Meteorological satellite operations	40,000,000	23,000,000	18,000,000		
Total, Weather Bureau	116,178,750	109,500,000	95,550,000	80,877,100	79,977,100
MARITIME ADMINISTRATION					
Ship construction	64,200,000	112,500,000	112,500,000	112,500,000	112,500,000
Operating-differential subsidies (liquidation of contract authorization)	220,400,000	225,000,000	225,000,000	208,000,000	216,500,000
Research and development	3,550,000	8,250,000	7,000,000	7,000,000	7,000,000
Salaries and expenses	15,249,250	15,752,000	15,500,000	15,500,000	15,500,000
Maritime training	3,319,000	3,495,000	3,495,000	3,495,000	3,495,000
State marine schools	1,375,000	1,405,000	1,405,000	1,405,000	1,405,000
Total, Maritime Administration	308,093,250	366,402,000	364,900,000	347,900,000	356,400,000
BUREAU OF PUBLIC ROADS					
Limitation on general administrative expenses	(38,177,500)	(44,650,000)	(43,800,000)	(43,800,000)	(43,800,000)
Federal-aid highways (trust fund)	(3,249,200,000)	(3,250,000,000)	(3,249,150,000)	(3,249,150,000)	(3,249,150,000)

Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, 1964 (H.R. 7063)—Continued

TITLE III—DEPARTMENT OF COMMERCE—Continued

Item	Appropriations, 1963	Budget estimates, 1964	Bill		Conference action
			House version	Senate version	
BUREAU OF PUBLIC ROADS—Continued					
Improvement of the Pentagon road network (trust fund)	($2,000,000)	($500,000)	($500,000)	($500,000)	($500,000)
Forest highways (liquidation of contract authorization)	36,900,000	33,000,000	33,000,000	33,000,000	33,000,000
Public lands highways (liquidation of contract authorization)	2,500,000	4,000,000	4,000,000	4,000,000	4,000,000
Control of outdoor advertising	2,000,000	3,000,000	2,000,000		
Inter-American Highway		22,000,000	19,000,000	15,000,000	15,000,000
Study of highway program for Alaska	400,000				
Total, Bureau of Public Roads	41,800,000	62,000,000	58,000,000	52,000,000	52,000,000
TRANSPORTATION RESEARCH					
Expenses	625,000	2,500,000	1,500,000	2,250,000	2,000,000
Total, title III, Department of Commerce	805,850,750	996,572,000	833,818,000	798,300,100	804,500,100

TITLE IV—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES					
Salaries	$1,503,000	$1,588,000	$1,588,000	$1,588,000	$1,588,000
Printing and binding Supreme Court reports	138,000	141,000	138,000	138,000	138,000
Miscellaneous expenses	79,000	87,000	85,000	85,000	85,000
Care of the building and grounds	323,400	353,600	348,000	348,000	348,000
Automobile for the Chief Justice	6,800	7,400	7,400	7,400	7,400
Books for the Supreme Court	35,000	35,000	35,000	35,000	35,000
Total, Supreme Court	2,085,000	2,212,000	2,201,400	2,201,400	2,201,400
COURT OF CUSTOMS AND PATENT APPEALS					
Salaries and expenses	369,550	390,000	388,000	388,000	388,000
CUSTOMS COURT					
Salaries and expenses	931,350	989,000	989,000	989,000	989,000
COURT OF CLAIMS					
Salaries and expenses	1,034,500	1,114,000	1,100,000	1,100,000	1,100,000
Repairs and improvements	9,500	9,500	9,500	9,500	9,500
Total, Court of Claims	1,044,000	1,123,500	1,109,500	1,109,500	1,109,500
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES					
Salaries of judges	11,048,341	11,200,000	11,200,000	11,200,000	11,200,000
Salaries of supporting personnel	27,988,000	31,480,000	30,650,000	30,650,000	30,650,000
Fees of jurors and commissioners	5,800,000	5,500,000	5,500,000	5,500,000	5,500,000
Travel and miscellaneous expenses	4,670,000	4,550,000	4,500,000	4,500,000	4,500,000
Administrative Office of the U.S. Courts	1,530,000	1,640,400	1,590,000	1,590,000	1,590,000
Referees, special account:					
Salaries of referees	(2,552,500)	(2,600,000)	(2,550,000)	(2,550,000)	(2,550,000)
Expenses of referees	(4,897,500)	(5,456,000)	(5,250,000)	(5,250,000)	(5,250,000)
Total, other courts and services	51,036,341	54,370,400	53,440,000	53,440,000	53,440,000
Total, title IV, the judiciary, excluding annual indefinites	55,466,441	59,084,900	58,127,900	58,127,900	58,127,900
Total, title IV, the judiciary, including annual indefinites	62,916,441	67,140,900	65,927,900	65,927,900	65,927,900

TITLE V—RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION					
Salaries and expenses	$1,580,000	$1,820,000	$1,800,000	$1,800,000	$1,800,000
COMMISSION ON CIVIL RIGHTS					
Salaries and expenses	959,500	995,000	985,000	985,000	985,000
FEDERAL MARITIME COMMISSION					
Salaries and expenses	2,300,000	2,898,000	2,575,000	2,575,000	2,575,000
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE					
Salaries and expenses	10,000				
FOREIGN CLAIMS SETTLEMENT COMMISSION					
Payment of Philippine war damage claims	73,000,000				
Salaries and expenses:					
Appropriation	737,500	2,320,000	1,455,000	1,555,000	1,455,000
Transfer	(530,000)		(575,000)	(607,000)	(607,000)
Total, Foreign Claims Settlement Commission	73,737,500	2,320,000	1,455,000	1,555,000	1,455,000
SMALL BUSINESS ADMINISTRATION					
Salaries and expenses:					
Appropriation	5,916,250	7,350,000	7,200,000	7,000,000	7,000,000
Transfer from revolving fund	(27,000,000)	(28,900,000)	(27,800,000)	(27,300,000)	(27,300,000)
Transfer from trade adjustment loan assistance		(100,000)	(100,000)	(30,000)	(30,000)
Trade adjustment loan assistance		8,000,000	4,500,000	1,500,000	1,500,000
Revolving fund	300,000,000	130,000,000	115,000,000	90,000,000	90,000,000
Total, Small Business Administration	305,916,250	145,350,000	126,700,000	98,500,000	98,500,000

Departments of State, Justice, and Commerce, the Judiciary, and related agencies appropriations bill, 1964 (H.R. 7063)—Continued

TITLE V—RELATED AGENCIES—Continued

Item	Appropriations, 1963	Budget estimates, 1964	Bill		Conference action
			House version	Senate version	
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS					
Salaries and expenses		$510,000	$450,000	$500,000	$465,000
SUBVERSIVE ACTIVITIES CONTROL BOARD					
Salaries and expenses	$395,000	448,000	425,000	425,000	425,000
TARIFF COMMISSION					
Salaries and expenses	2,950,000	3,375,000	3,145,000	3,145,000	3,145,000
U.S. ARMS CONTROL AND DISARMAMENT AGENCY					
Arms control and disarmament activities	6,500,000	15,000,000	1,669,000	7,500,000	7,500,000
U.S. INFORMATION AGENCY					
Salaries and expenses	123,145,000	145,971,000	131,000,000	138,500,000	134,000,000
Salaries and expenses (special foreign currency program)	8,500,000	11,950,000	11,750,000	11,750,000	11,750,000
Special international exhibitions	7,600,000	7,230,000	7,200,000	7,200,000	7,200,000
Special international exhibitions (special foreign currency program)	375,000	500,000	450,000	450,000	450,000
Acquisition and construction of radio facilities	16,150,000	38,625,000	12,070,000	12,070,000	12,070,000
Informational media guarantee fund	1,000,000	3,960,000	1,000,000	650,000	750,000
Total U.S. Information Agency	156,770,000	208,236,000	163,470,000	170,620,000	166,220,000
Total, title V, related agencies	551,118,250	380,952,000	302,674,000	287,605,000	283,070,000
Total, Departments of State, Justice, Commerce, the Judiciary, and related agencies excluding special accounts	2,135,976,841	2,151,835,900	1,843,469,900	1,813,543,000	1,812,293,000
Total, Departments of State, Justice, Commerce, the Judiciary, and related agencies including special accounts	2,143,426,841	2,159,891,900	1,851,269,900	1,821,343,000	1,820,093,000

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

Mr. MANSFIELD. Mr. President, despite the fact that the hour of 2 o'clock has not quite arrived, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the foreign aid appropriations bill.

The Senate resumed the consideration of 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.

BEEF, VEAL, MUTTON, AND LAMB IMPORTS

Mr. ALLOTT. Mr. President, most Senators are aware of the fact that because of the amount of business being transacted on the floor, I have been waiting for some time to speak upon the subject of meat imports, especially beef and lamb imports. I expect to speak for about 20 or 25 minutes, and I shall try to conclude within that time, because I am fully aware of the exigencies of the legislative situation and the fact that a foreign aid appropriation bill is before the Senate and requires immediate attention.

Senators who desire to attend to other matters can count on my speaking for at least 20 or 25 minutes.

Mr. President, earlier today the distinguished senior Senator from Kansas [Mr. CARLSON] spoke in regard to the situation in the livestock industry. He called attention to the fact that in the past year livestock prices have decreased as much as 25 percent. He also stated that if the price of any other commodity in this country had decreased by 25 percent during 1 year, Congress and the executive branch of the Government would be up in arms in an attempt to find a way to solve the problem.

First of all, let me point out that approximately one-third of the value of total U.S. farm and ranch production is represented by meat from cattle, hogs, and sheep. Cattle and calves accounted for nearly 23 percent of the receipts from farm marketing in 1962.

The gross income for the United States from live cattle and calves in 1940 was $1.4 billion, and by 1962 that amount had increased to $8.3 billion. So we are not discussing a matter of minor importance to the economy of the United States.

The inventories of cattle in the United States in 1958 were 93.4 million head. On January 1, 1963, they were 103.8 million head—an increase of 4 percent from 1962. It is estimated that on January 1, 1964, the total inventory will be 107 million head.

It is hard to imagine, in terms of any reasonable argument, that a 4-percent increase in the number of cattle in the United States could cause a 25-percent decrease in the market price.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Colorado yield to the Senator from North Dakota?

Mr. ALLOTT. I yield.

Mr. YOUNG of North Dakota. I commend the Senator from Colorado for his most apropriate speech in behalf of the cattle industry. The imports of beef have doubled during the past 2 years. With an already saturated market, that was enough to break the price of cattle. The same thing would happen to any other market if such a situation occurred. If we wish to save the cattle industry, we must do something about these imports.

Mr. ALLOTT. The Senator from North Dakota is correct, and I agree entirely with him.

Mr. President, as I have already pointed out, when the number of cattle has increased only 4 percent, it is hard to account for a 25-percent decrease in price.

The basic industry of Colorado is livestock. Eighty percent of the area of Colorado is grazing land, and Colorado ranks 10th in the total number of beef cattle in the United States, and ranks 12th in the range and stock beef cattle. In 1962, Colorado ranked fifth in the Nation in marketing feed cattle—with a total of 815,000 head marketed.

For 1961, the income—that is to say, cash receipts—from livestock in Colorado was $414,418,000. From cattle alone, the cash receipts amounted to $320,751,000.

On January 1, 1962, the livestock on farms in Colorado included 2,333,000 cattle and 1,932,000 sheep. Forty-nine thousand family and 19,000 hired workers engaged in farming in 1961 in Colorado.

In 1962, the income in Colorado from the sheep industry, including the sale of sheep, lambs, and wool, was approximately $41,165,000. In only one county in Colorado—Moffat County—the total income from the sale of sheep, lambs, and wool was $2,528,185.

On January 1, 1963, there were 2,560,000 cattle in Colorado—an increase of 7 percent over the number on January 1, 1962. The inventory of cattle in Colorado increased steadily since 1957.

Imports have been increasing steadily for many years, but they have skyrocketed since 1958. The general situation can be seen from the following figures, which pertain to all meat:

An average of 329 million pounds a year was imported in the period 1951–55. An average of 613 million pounds a year was imported in the period 1956–60. But in 1962, the imports amounted to 1,253 million pounds. In short, the imports, which during the years 1951–55 amounted to 329 million pounds, have now reached the astronomical figure of 1,253 million pounds in 1962. These figures show that the import level doubled, roughly, approximately every 5 years.

In the first 6 months of 1962, red meat imports were 552 million pounds. In the first 6 months of 1963, red meat imports were 651 million pounds—an increase of 21 percent or more.

Before 1958, the United States was a net exporter of livestock, meat, and livestock and meat products. However, today that situation has changed entirely; at the present time the United States is a net importer.

I ask unanimous consent to have printed at this point in the RECORD a table I have prepared, showing the balance of trade with respect to beef, veal, lamb, and mutton.

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

Balance of trade table

[Carcass weight, millions of pounds]

Year	Imports	Exports	Net imports
Beef and veal:			
1960	775	58	719
1961	1,037	58	979
1962	1,445	53	1,392
Lamb and mutton:			
1960	87	2	85
1961	101	2	99
1962	143	3	140

Mr. ALLOTT. Mr. President, imports of beef and veal have increased steadily since 1958, and the volume has reached 10.6 percent of domestic production, including livestock meat equivalent.

For 1962, imports were more than twice the 1956–60 average, and more than four times the 1951–55 average. During the period 1958–62, imports increased 60 percent; and for the period January to August 1963, the imports increased 22 percent, as compared with the imports for the corresponding period in 1962. Percentagewise, the imports accounted for 3.9 percent of domestic production in 1957, as compared to just under 11 percent in 1962.

In 1962, imports increased 41 percent over those in 1961.

The per capita consumption of imported beef increased 81.8 percent between 1960 and 1962—from 4.4 pounds per capita in 1960 to 8 pounds per capita in 1962. During those years the total consumption per capita increased 4.3 percent.

In 1962, imports of beef and veal, in absolute numbers, were 1.45 billion pounds carcass weight. During the first 6 months of 1963, the United States imported 1.09 billion pounds carcass weight, as compared to 0.89 billion pounds in the first 6 months of 1962.

Today the United States is the world's largest importer of beef.

The Colorado Cattlemen's Association estimates that in Colorado they are now receiving 160,000 pounds of foreign boned beef a week. The majority of this goes to make hamburger, is used in restaurants, and for fresh beef products.

As for the imports of lambs and mutton, mutton imports have increased from 1.7 million pounds in 1957 to 65 million pounds in 1962—an increase of 3,724 percent—an astronomical and unbelievable gain. Yet the U.S. Tariff Commission and every other agency of the executive branch have failed to provide any protection for the livestock producers of the United States. Imports of lambs and lamb meat have increased from 3.3 million pounds in 1957 to 79 million pounds in 1962. These figures include the meat equivalent of live animals.

In 1957 imports of lambs and mutton accounted for 0.7 percent of the domestic production; but in 1962, the figure increased to 17.8 percent; and for the first 8 months of 1963 it is 22.9 percent—almost 23 percent. These figures show why the remarks the distinguished Senator from North Dakota [Mr. YOUNG] made a few minutes ago are so pertinent and so important, for they make clear that at a time when livestock production in the United States has increased, with the result that the people of the United States can be better fed and can have more proteins, it does not require large amounts of imports to break the price in this country.

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

Mr. ALLOTT. I yield.

Mr. AIKEN. The Senator realizes that the great increase in imports of beef and other farm commodities is a part of a program to get the United Kingdom into the Common Market. If we succeed—and we are pushing for it—in getting the United Kingdom into the Common Market, the countries which have customarily looked to the United Kingdom for their market will lose the advantage they have had, and they will have to look elsewhere for markets.

If the Senator goes further into this question, he will find that about 2 years ago exporting countries decided to try to get the United States to absorb exports of meat and several other commodities which had previously been sold in the United Kingdom. I refer particularly to Australia and New Zealand, although I understand that the New Zealand world market has improved since then. I believe that much of the increase in meats is coming from Australia.

It is only natural that countries depending upon the United Kingdom for a market wish to develop other markets before England goes into the Common Market. It is as simple as that. We are increasing our imports from these countries. Our recompense comes in the fact that we are, in effect, exchanging goods like airplanes with Australia in return for meat. In other words, American agriculture is being traded off for the benefit of our industries.

Mr. ALLOTT. The Senator is exactly correct. Today, as for several years past, we have been trading agriculture for other forms of industry.

Mr. AIKEN. These countries are now exporting much more heavily to the United States. I understand they made an appeal to us about 2 years ago to absorb their exports, which had previously been sold to the United Kingdom, so that the effect of the United Kingdom going into the Common Market would not fall so heavily upon them. Instead of that, it is falling upon our farmers. I have no doubt that Australia and other countries are getting increased dollars and spending them here. They placed a large order for airplanes in this country not more than 2 or 3 months ago which normally would have gone somewhere else. So, industry has benefited at the expense of our agriculture.

Mr. ALLOTT. Yes. I thank the Senator for that statement.

Mr. AIKEN. There is much more to it than that, of course.

Mr. ALLOTT. The Senator will find in the foreign aid appropriation bill which will come before the Senate this afternoon—I cannot mention any figures—a sum for Australia. That figure may be accounted for, in part, by the meat which is being imported here while we are selling them airplanes.

Mr. AIKEN. That is correct.

Mr. ALLOTT. So, in this country we are not only trading off one industry—the agricultural industry—for the heavy industries, but also we are trading off this country.

I believe I have great consideration for Great Britain and Australia and their problems. There is no reason why I should not have. However, when it comes to the question of whether I am going to take care of the United States first or take care of other countries, I am certainly going to take care of the United States, so far as my ability will permit. When it comes to trying to take care of a particular industry, I am going to try to take care of the agricultural industry, which constitutes the major portion of the economy of Colorado, more than I am going to try to take care of some industry elsewhere.

We are indebted to the distinguished senior Senator from Nebraska [Mr. HRUSKA] and to other Senators for remarks on the floor about the situation. But we have to bring the country, the Executive, and the Tariff Commission to the realization that what they are doing is breaking an industry in our country. When they do so, we will pay through the nose. That is to say, the American taxpayer, the ordinary individual, will pay through the nose for the beef, lamb, and mutton which will come into this country from other countries.

We have done it from time to time. We have broken industries in this country. Every time we have done it, we have ended by paying through the nose to other countries for their products.

I think of the situations in respect to fluorspar, lead, zinc, and many other fields.

I should like to say a word about prices. I have so much material here that I could speak for at least 4 or 5 hours. But I realize the serious situation in the Senate and its desire to get to the important bill which we have to consider. However, I wish to say a word or two about prices.

The average price of cattle as of October 15 of this year is $19.50 per hundredweight compared with $21.70 per hundredweight October 15, 1962.

I ask unanimous consent at this point in my remarks to have printed in the RECORD as if stated by me a short table which sets forth a comparison of the 1962 and the 1963 figures.

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

Prices per hundredweight

Comparison of prices of choice steers at Chicago:	
November 1962	$30.13
May 1963	22.61
July 1963	24.72
Late October 1963	under 24.00
Average 1st quarter 1963	25.28
Good feeder steers at Kansas City:	
November 1962	25.74
October 1963	22.92
Choice feeder steers at Kansas City:	
November 1962	30.88
October 1963	27.05

Mr. ALLOTT. Recently, fat cattle were off $5 per hundredweight; feeder cattle off $3 to $6 per hundredweight, feeder cattle down $2 to $4 per hundredweight average in the last year; calves down about $6 per hundredweight in Denver in 1963. The average price of beef steers in early December was $21.20 per hundredweight, which is the lowest price in 6 years.

The price break on lamb has not been so pronounced in recent months, but the steady downward pressure on prices from imports, which started about 4 years ago, is causing a great many ranchers and feeders to operate at a loss.

I am not speaking merely for the cattlemen and the stockmen in Colorado. I am talking about stockmen, cattlemen, feeders, ranchers, and breeders all over the United States. That statement particularly encompasses all of the Mississippi Valley and every area west of it, although it does not necessarily, by any means, eliminate the Eastern States.

What is the relationship between increased imports and lower prices? As to beef, it has been argued by Secretary Freeman that most import beef is low-quality processing beef. Therefore the imports would not affect the quality beef price. But as the price disparity between grades becomes greater, more people shift to the lower grade, thus bringing down the price of quality meat as well. From 1954 to 1956 canned beef constituted 72 percent of the total imports; now, however, 81 percent is boneless and only 14 percent is canned. Boneless beef can be used for hamburger as well as for manufacturing and processing; and it is so used.

About 40 percent of the processing beef consumed in the United States is imported. It is estimated that roughly 30 percent of domestic cattle production winds up as hamburger.

Therefore, it is not hard to see that the imported product, even though it be of a cheap quality, not only competes directly in this country with our cheaper qualities of beef, but also helps to lower the price of good beef and quality beef.

Let us take a look for a moment at the lamb situation. During the past 2 years foreign lamb has been coming into east coast ports for 5 cents to 20 cents per pound below the average domestic wholesale price, including tariff. I believe we should ask ourselves how much we owe to other countries to support their imports into this country at the expense of breaking our own farmers and ranchers, feeders and stockmen. It is no secret that in the last 10 to 12 years our agricultural producers have been up against the situation of constantly increasing labor and other costs day after day. A tractor that could have been purchased for $1,200 to $1,400 in 1950 now costs $6,500 or $7,000. That is the sort of costs they are up against. They are constantly increasing costs. Yet we permit the import of lamb and beef; we permit it to come into this country without providing our people with some kind of protection. The Department of Agriculture has recognized that these conditions have a depressing effect on prices, and says in a report, "Livestock Meat Situation," of November 1963:

If imports are a larger proportion of domestic production, the effect on prices is greater.

It certainly required a great "brain" to figure that out and put it in a Government report. It is something that every schoolboy ought to know. It is a fact.

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

Mr. ALLOTT. I am happy to yield to the Senator from Iowa.

Mr. MILLER. I agree with the Senator's comments on this problem. Is it not correct that, as early as last March and April, when it became apparent that imports of beef and veal had doubled since 1960, the explanation for depressed livestock prices and the import impact given by the USDA was that imports were not having any significant impact, and that the real reason for the depressed livestock prices was because of greater numbers of cattle in feedlots?

Mr. ALLOTT. The Senator is entirely correct. At least within my own knowledge and reading, this is the only excuse the Department of Agriculture has ever offered. It is the contention of the Department that the depressed prices today are due primarily to that cause.

Mr. MILLER. The statement the Senator just quoted from one of the reports indicates that at least some of the researchers of the U.S. Department of Agriculture recognize this fact of life, although I fear that some of those who have access to those reports in the USDA either do not read them or do not believe them.

Mr. ALLOTT. I thank the distinguished Senator for his contribution. The Senator is entirely correct.

Imported beef can be sold for 5 to 10 cents a pound cheaper than American beef can be produced and marketed, so the cattle feeder has operated at a loss of about $11.86 per head since 1962, considering only the cost of feeder cattle, feed, marketing, and transportation. However, other estimated costs bring the total loss per head up to as much as $40.

The average retail price of beef is down 6 cents in the past year, but the farmers' share of the price is down nearly 10 cents.

Mr. Don Foster, of the First National Bank of Paonia, Colo., sent me a letter which contains figures on the production costs per cow, prepared by our own great Colorado State University. In summary, 12 ranches were used. The average cost of production per cow was $100.22. The average return from sale was $108.31. Taking into account change in inventory, the net average return was $115.34. However, no management return has been allowed in the above figures. The average management return was a net loss of $6,541 per ranch, for the 12 ranches studied.

I submit to my colleagues in the Senate that these figures are only illustrative of the situation in all the great States of this country which have a vital interest in livestock production and feeding.

In the same letter Mr. Foster gives figures with respect to lambs, on the cost per ewe of producing a lamb crop. In summary, the average cost per ewe was $23.86. The average return from the sale of wool, of sheep, and from incentive payments on the wool, without inventory change, was $18.34. Adding the inventory change, the net return was $17.77. This was a net loss per ewe of $6.09.

The net income on the sheep ranches studied by the Colorado State University averaged a loss of $949 per year, with no return allowed for management or for wages for the people who operated the ranches.

I ask unanimous consent that tables 1 and 2 may be printed in the RECORD at this point.

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

TABLE 1.—*1962 ranch summaries for 12 mountain ranches in Archuleta, Garfield, Rio Blanco, Moffat, and Routt Counties*

A. Average number of cows on these 12 ranches was 197. Average production costs per cow during 1962 were:

Machine and equipment repairs	$1.24
Fuel and oil	1.74
Utilities	.83
Labor	6.00
Auto	.60
Pickup and truck	1.01
Building repairs	.69
Livestock expenses	7.61
Feed purchased	15.21
Home-raised feed fed	47.64
Miscellaneous	.85
Rent	.34
Taxes	3.39
Interest	7.88
Machine depreciation	2.11
Building depreciation	2.03
Average production costs per cow	100.22

B. Average return per cow in 1962 from sale of cattle was $108.31. When any change in inventories plus cash sales was taken into consideration, the net increase per cow

was $115.34. With $100.22 average costs per cow on these ranches, the net return per cow in 1962 was $15.12. For most of these same ranches in 1961, their production costs per cow were $117.77.

C. Average investment per ranch as of January 1, 1962, in feed and livestock was $48,390; machinery and equipment was $7,867; and land and buildings was $158,687.

D. The average net income on these ranches in 1962 was $5,402. Two of the twelve ranches showed a net income loss in 1962. Net income per ranch varied from a loss of over $10,000 to a net income of over $20,000.

Only 1 of the 12 ranches in 1962 had any return for the management of these over $200,000 capitalized businesses. Management return is figured by deducting from the net income figure a 6-percent return on the amount of capital invested in fencing, livestock, and machinery; 5 percent on amount invested in land and buildings; $200 a month for the labor performed by the operator and $150 a month for any family labor used to help in the production of livestock and crops. The average management return on these ranches was a loss of $6,541. Management return varied from a plus $11,000 to over an $18,000 loss.

E. The average number of acres on these ranches was 3,761 acres. This excludes the acres of Bureau of Land Management and Forest Service grazing permit acres.

F. The average number of crop acres per ranch in 1962 was 418 acres. Average production costs per crop acre were:

Machinery and equipment repair	$1.96
Fuel and oil	2.27
Utilities	.66
Labor	3.52
Auto	.26
Pickup and truck	.41
Building repairs	.28
Crop expenses	3.22
Miscellaneous expenses	.33
Taxes	1.76
Interest	3.81
Insurance	.50
Machinery depreciation	2.57
Building depreciation	1.06
Average production costs per crop acre	22.63

G. The average value of crops produced per crop acre in 1962 on these ranches was $25.70.

TABLE 2.—*1962 ranch summaries of 6 mountain sheep ranches on the western slope of Colorado*

A. Average number of breeding ewes per ranch in 1962 was 841 head. Average costs per ewe to produce a lamb crop were:

Machinery and equipment repair	$0.65
Fuel and oil	.94
Utilities	.28
Labor	2.72
Auto	.26
Pickup and truck	.33
Building repairs	.10
Livestock expenses	1.01
Feed purchased	4.47
Value of home-raised feed fed	8.49
Miscellaneous expenses	.38
Taxes	.67
Interest	1.19
Insurance	.24
Machinery depreciation	.63
Building depreciation	.60
Average costs per ewe	23.86

B. Average return from sales of wool, sheep, and incentive payments per ewe in 1962 was $18.34. When the changes in inventory were taken into account and added to these sales the average net increase per ewe was $17.77. The average cost per ewe in 1962 on these ranches was $23.86.

C. Average number of crop acres per ranch was 361 acres.

D. Cost of producing an acre of crops was:

Machinery and equipment repairs	$1.47
Fuel and oil	1.86
Utilities	.48
Labor	4.55
Auto	.22
Pickup and truck	.53
Building repairs	.28
Crop expenses	4.38
Miscellaneous expenses	.55
Rent	.40
Taxes	2.78
Interest	2.56
Insurance	.36
Machinery depreciation	1.89
Building depreciation	1.58
Average production costs per crop acre	23.89

E. Average value of crops produced per crop acre was $17.05.

F. The average investment managed by each operator was $125,945 with $22,952 invested in feed and livestock; $4,725 in machinery and equipment and $98,268 in land and buildings. Net income on these sheep ranches averaged a loss of $949. Their net income varied from a loss of over $9,000 to a net income of over $5,000. None of these sheep ranches were able to show any return for management in 1952. Average management return per ranch was a loss of $9,031. The management return loss varied from $2,000 to $19,000.

Mr. ALLOTT. Mr. President, I have a word or two to say about the comparison of U.S. protection of agriculture and protection by other countries.

The United States and Canada are the only two major countries without nontariff protection for domestic agricultural production.

The Common Market countries are using import duties, gate price systems, import certificates and deposits, quotas, and intervention measures as protection for their agricultural products.

Australia and New Zealand together account for 80 percent of our beef and veal imports. Those countries protect their agricultural products much more than we protect ours, by nontariff control. New Zealand protects its industry 100 percent; Australia, 41 percent. Further, Australia prohibits the importation of live cattle and sheep from the United States under health restrictions. It is hard to believe that their lamb and mutton come into this country to be fed to our people, but that the lamb and mutton raised in this country cannot go there because of health restrictions. I hope the people of this country do not find out about it.

Ireland, the third largest exporter of beef and veal to the United States, restricts livestock and meat products by requiring import licenses, and also has high tariffs.

Mexico is one of the two largest exporters of cattle to the United States. However, into Mexico an import permit is required, and Mexico has a high tariff. Slaughter livestock imports are prohibited.

The European Economic Community common external tariff on beef and veal is three times the ad valorem equivalent of the U.S. tariff.

U.S. protection of agriculture has been very little. We have no quota system. On live animal imports the duty goes up after a certain number is reached, but there is no prohibition against unlimited numbers.

The United States cut tariffs, in 1948, on fresh, chilled, or frozen beef and veal from 6 to 3 cents a pound; on mutton, from 5 to 2½ cents per pound; and on lamb from 7 to 3½ cents a pound. All of these tariffs were cut 50 percent.

All duties for cattle and beef are listed in a statement which I ask unanimous consent to have printed in the RECORD at this point.

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

In 1930 the tariff on beef and veal was 6 cents per pound and this was reduced in 1947 to the present 3 cents per pound. The United States reduced the tariff on cattle under 200 pounds from 2½ to 1½ cents a pound on the first 200,000 head coming into this country annually. The rate on cattle weighing 200 to 700 pounds is 2½ cents; on those weighing over 700 pounds it was reduced from 3 to 1½ cents per pound for not over 400,000 head entering in a 12-month period with not more than 120,000 head entering in any one quarter. Cattle entering in excess of this number carry a duty of 2½ cents per pound. Preserved meats and those not otherwise specified were reduced from 20 to 10 percent on an ad valorem basis.

Mr. ALLOTT. Mr. President, the future looks no better for our domestic industry than the immediate past.

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

Mr. ALLOTT. I am happy to yield.

Mr. MUNDT. I congratulate the distinguished Senator from Colorado for again bringing this matter to the attention of the Senate. This serious situation has been discussed for a period of months.

Last week stock growers in all parts of the country—I am sure some from Colorado, I know some from South Dakota, and others from many other areas—were in this city, and made representations to the Tariff Commission.

When the Trade Expansion Act was being debated in the Senate, its proponents assured us that there was a built-in mechanism for meeting exactly this kind of problem, and that the Tariff Commission had the capacity to act and would act to protect the solvency of a basic American industry.

Illustrative of how important is the subject with which the Senator from Colorado is dealing so effectively this afternoon, I point out that in 1962 the total cash sales of calves and cattle amounted to $8,146 million. The other six "basics" combined had a total cash sale value of only $7,993 million.

It is clear that we are dealing with the biggest single segment of the agricultural problem, a segment so large that it is greater than all the other six so-called "basics."

Mr. ALLOTT. If the Senator will permit me to interrupt at this point, because this is so important, I add that most people do not realize that the income to our farmers from livestock, no matter what kind, greatly exceeds the general value of all other crops which are raised.

Mr. MUNDT. There is no question about that. I am talking now only about cattle and calves. The income from those exceeds the income from the other six "basics." We must add, of course, pork, lamb, and poultry products.

In 1962 the total cash sales value of wheat was $2,087 million; of corn, $1,781 million; of cotton, $2,303 million; of tobacco, $1,316 million; of rice, $309 million; and of peanuts, $197 million; for a total of $7,993 million, exceeded by the value of calves and cattle alone, the total for which was $8,146 million.

So, when we are talking about doing something to protect the income of the livestock industry, and when we are talking about beef alone, we have a problem so serious that, unless it is corrected, the results can be devastating not only to that part of the economy, but to the entire economy.

It is a well recognized American economic axiom that income from raw materials—income from farms and ranches and the forest industry—multiplies itself seven times in terms of national income.

So, we are whittling away at the vitals of our economy and increasing unemployment and economic distress because of the failure of the administration to take action which, under the Trade Expansion Act, we were assured would be taken when conditions became this serious.

Mr. ALLOTT. I thank the Senator. That representation has been made. That is the reason why the Senator from Colorado thought it necessary today to call attention to these facts and to the fact that we are really destroying an industry. People talk about tax reduction. I do not think we shall need tax reduction, because, unless something is done with respect to the cattle industry, there will be a real reduction in income.

Mr. AIKEN. I was particularly interested in the Senator's calling attention to the disparity of duties between the United States and other countries. I have an illustration of duty disparities relating to a small volume, but very important, agricultural commodity; namely, maple products. The duty on maple products entering our country from Canada amounts to 3½ percent ad valorem. The duty on maple products from the United States to Canada is 17½ percent ad valorem. Our own officials of Government have never offered any explanation for that wide disparity or demonstrated any sympathetic attitude for the plight of our own producers.

Mr. ALLOTT. Am I correct that the Senator's figures show about a 300-percent disparity?

Mr. AIKEN. About 500 percent. Our duty amounts to 3½ percent ad valorem. The Canadian duty is 17½ percent ad valorem. Ours is on a poundage basis, but it amounts to 3½ percent ad valorem. The United States and Canada are the only two producing countries in the world that have any maple products to sell.

As I said, I have never received an explanation from our own Government officials as to why there was that wide disparity or why our producers did not get much sympathy from them in efforts to correct the disparity. However, a few months ago I communicated with a friend of mine, who is an official in Canada, and he told me that, at the time the United States reduced the maple duty to 3½ percent ad valorem, somebody in the United States got a corresponding benefit by a reduction on some other product going into Canada. In other words, it was a case of a small agricultural commodity being traded off for some other product of our economy.

This is happening today in a big way. We are being traded off. American agriculture is deemed expendable by our trade negotiators. I do not say that Americans do not make money overseas, because there is now nearly a hundred billion of U.S. dollars invested in other countries. Our meatpackers, our dairy products corporations, and other establishments have plants in other countries in the world that are now exporting into the United States. I maintain that if we are to continue to sell out our agricultural producers in the United States for the benefit of international investors, or for other factors of our economy, we are weakening the strength of the country.

Mr. ALLOTT. I could not agree more with the distinguished Senator from Vermont. I thank him for his contribution.

I yield now to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, already the sheep industry has been pretty well liquidated, as many people know. The State of the distinguished Senator from Colorado is one of the main sheepraising States of the country. The present situation has been brought about because of our failure to protect U.S. sheepmen from imports of lamb and mutton, as well as wool.

If we do nothing about the cattle industry—and this is by far the biggest segment of our agricultural industry; it affects every State—we shall be in serious trouble.

I hope Members of the Senate will take an active interest in this problem, along with the cattle producers, who are doing their best, so that we obtain help and action from the Tariff Commission.

Mr. ALLOTT. I thank the Senator.

I yield now to the Senator from Hawaii [Mr. FONG].

Mr. FONG. I congratulate the Senator for his illuminating and excellent talk on this subject of beef and mutton imports. I think it is very timely.

Every State in the Union is a producer of livestock. My State of Hawaii, although it is a great producer of cattle, imports approximately 55 percent of its beef requirements. Most of it used to come from the mainland of the United States. But today most of the imports come from the Antipodes.

Since the importation of beef and cattle products from the Antipodes—that is, New Zealand and Australia—and these importations have increased greatly within the last few years—our cattle and sheep ranchers have found it difficult to make a profit.

For example, the Parker Ranch which is one of the largest ranches in the world with approximately 35,000 head of white-faced Herefords and many thousand head of sheep, last year went out of the sheep business. For several years, now it has made very little in the cattle business.

It is not possible to make a reasonable profit in the cattle business in Hawaii with Australian and New Zealand beef undercutting the price of our beef by about 10 cents a pound. This problem of being unable to make a reasonable profit has been felt throughout the State of Hawaii, and as a consequence many ranches have closed.

Ranching is our third largest agricultural industry, ranking after the production of cane sugar and pineapples. It is a vital industry in the State of Hawaii and very important to our economy.

I have written letters to the Secretary of Agriculture, pointing out the fact that we have been injured by the large unrestricted importations of beef products from the Antipodes. I have implored him to help us. So far nothing has been done by the Secretary.

I wish to congratulate the senior Senator from Colorado for bringing this problem to our attention.

I know the Senator agrees with me that we should not cut off all importations. I am asking only that a quota for imports be established. We are asking only that our markets be not flooded.

I wonder if the able Senator agrees with me that we are not asking for a complete prohibition of beef and mutton imports.

Mr. ALLOTT. I would not contend that there should be a complete prohibition; but, as I have tried to point out, in relating prices to cost of production—and I intend to go into that subject in a moment—it is very obvious that we cannot compete with the sort of cost structure existing in competing areas.

I was careful to point out, in the beginning, that while I was concerned with how this problem affected Colorado stockmen and agricultural producers, the problem was not peculiar to Colorado. It affects the distinguished Senator's State of Hawaii; and it is important to the greater portion of the United States. We must find a method for protecting our people from cheap imports. We cannot let the imports break our market.

Mr. FONG. I thank the Senator. I agree with him. The Tariff Commission and the executive department should look into this problem, and arrive at some kind of formula to protect our livestock business. This is a great business, and it should not be allowed to go on the rocks.

I again thank the Senator for calling this matter to our attention. He should be commended for his fine and excellent talk.

Mr. ALLOTT. I thank the Senator. I know of his great interest in the agricultural industry of Hawaii.

Mr. President, the colloquies have consumed more time than I had anticipated. I wish to have some consideration for my good friend the senior Senator from Rhode Island [Mr. PASTORE], who has been very patient. I hope I can conclude in about 5 minutes.

Apropos of what the distinguished Senator from Hawaii has said, I invite

the attention of Senators to the fact that in 1960 the sheep industry appealed to the Tariff Commission. The Tariff Commission, on a technicality, refused it any assistance. Such action has gone a great way toward destroying the sheep and wool industry. The question that we shall have to decide is whether we will permit the same thing to happen to the cattle industry; whether we shall permit the cattle industry to be destroyed.

Let me speak for a moment about costs. This is an example: Mr. C. W. McMillan, executive vice president of the American National Cattlemen's Association, went to Australia. I shall not go into all the detailed figures, but he found that it was possible to rent land from the Crown at a cost of about 11 cents per head per year for grazing.

Based upon the studies made at Colorado State University, which I commented upon earlier, it is easy to see that about $30 a year is chargeable in Colorado to land use in producing one cow, as contrasted with the Australian figure of 11 cents a cow.

It is not hard to understand from figures like this why prices have been depressed and why we are having difficulty with meat products being imported into this country. Eighty-one percent of the Australian production is exported to this country. Apparently it is planned to have such exports continue to grow and expand. Anyone who examines a graph of the figures on importation will see that in the past 2 years the line rises almost perpendicularly.

The question is whether we shall tolerate such a situation and whether we shall tolerate the destruction of this industry.

I ask unanimous consent to have included in the RECORD at the conclusion of my remarks an article entitled "Crisis in Beef Imports," written by Mr. C. W. McMillan, to whom I have referred.

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

(See exhibit 1.)

Mr. ALLOTT. Mr. President, there are several things we might do. We might take livestock off the proposed list for negotiations in the upcoming General Agreement on Tariffs and Trade talks. Further, this is something which should be considered under section 204 of the Agricultural Act of 1956. Under that provision the President is authorized to negotiate with foreign governments to limit shipments if exports to the United States are detrimental to our producers. I suggest that the President do so.

Also, the distinguished senior Senator from Nebraska [Mr. HRUSKA] introduced S. 2168, requiring the President to negotiate such agreements. S. 557 was introduced by the distinguished junior Senator from Wyoming, and other Senators, including the Senator from Colorado, to place quotas on beef imports and raise the tariff on imports in excess of those quotas.

I have received a letter from Mr. W. C. Crew, president and general manager of the Denver Union Stockyard Co., who for many years has been a student of markets, prices, supplies, cattle, and all kinds of stock. I consider his letter to be a fine analysis of the picture we face today, with some suggestions. Only the press of time prevents me from discussing this very important subject in greater detail. I ask unanimous consent that the letter may be printed in the RECORD at the conclusion of my remarks so that my colleagues may read it and have the benefit of the suggestions.

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

(See exhibit 2.)

Mr. ALLOTT. Mr. President, I am grateful to the distinguished Senator from Nebraska, as well as to other Senators for speaking on this subject. The question we shall have to face in the next few months is whether Congress and the Chief Executive have the will to form some kind of protective barrier against the importation of cheap beef, which can only ruin the beef market in this country; and whether we have the will to do the same thing for our sheep, lamb, and mutton products.

I felt it necessary to call this problem to the attention of the Senate today. I hope my colleagues will see to it that one of the first things next year will be the initiation of action on one or the other of the bills referred to.

EXHIBIT 1

CRISIS IN BEEF IMPORTS

(By C. W. McMillan)

We saw lands of paradox and contrast.

We saw some of the best livestock production and potentials—and some of the worst—in the world. Some fine animals, but some real scrubs.

We dined, argued, laughed and exchanged notes with men like ourselves, equally concerned with the elements, their "beasts," local conditions, taxes, and the world markets for beef.

And we came home convinced that livestock production in the United States, more than ever before, needs more realistic protection from foreign meat.

"We" were a group of U.S. beef producers and feeders representing the American National Cattlemen's Association on a special study tour of New Zealand and Australia.

We all wanted to see firsthand whether the tremendous increase in their beef exports was temporary—due to relatively higher prices here—or whether they were forerunners of a deliberate buildup aimed at the U.S. market.

And we also wanted to see if we could show the Australia and New Zealand stockmen, on a producer-to-producer level, that they are wrecking our market and, at the same time, endangering their own.

Frankly, we found little to reassure us. As long as our tariffs remain low and tonnage unrestricted, there'll probably be little slackening of imports. Rather, we can expect them to grow over the years.

Producers in both countries were sympathetic. But many—especially exporters—are more fascinated with the gold in the U.S. market. Even if prices drop here, this is a far better market for them than any place else. It looked so good to them that they only now are making token effort to find alternate consumers at home and elsewhere in the world.

The chart below gives you an idea how fast beef imports have been increasing. While almost everyone recognizes that foreign beef has an adverse impact on U.S. producers, a few figures help to emphasize the danger signs—and the rapidity in the buildup of the problem.

Total beef imports, including live animals, accounted for about 11 percent of all the beef we ate in the United States last year, an all-time high. Another record will be set this year—imports for the first 8 months of 1963 were 122 percent of the same period last year.

And what a beachhead the Aussies and New Zealanders have established. From only a smattering 6 or 7 years ago when their exports were committed to Great Britain, their shipments now amount to over 80 percent of all our beef imports.

Don't let anyone tell you that this tonnage has no direct bearing on fed-cattle prices. True, most of the shipments are of "manufacturing beef"—a lean, boneless product. However, more than one-fourth of every one of our fed-beef carcasses becomes ground beef, and 60 percent of the beef from Australia also goes into ground beef here.

And, realizing that beef competes most with other beef, rather than pork or poultry, say, then any extra tonnage can't help but depress total and specific prices.

Economists figure that recent import levels have cut some cattle prices—or held others down from expected levels—as much as $3 per hundredweight.

You also have heard that all the U.S. cattleman has to do is become "more efficient" or just raise more and more animals, then he'd be able to compete with anyone in the world.

It's simply not so. No matter how hard our stockmen work or how many miracles come from the laboratory, there is no way that he can cut costs today to equal those of the Australian, for example.

Our study group, all knowledgeable ranchers and feeders, estimated that the Aussie could raise a "beast" on his "station," trek it hundreds of miles to slaughter and still make money at prices roughly half what most American ranchers would have to have for a comparable animal.

And exporters can ship the beef 8,000 miles (or more), pay duty of 3 cents per pound and still make money when our beef market is too low for profit to American stockmen.

Basic is the cost of leasing or owning land.

In western Queensland and the northern territory, most of the land is owned by the Crown. It is available on 50-year leases with an annual rental payment ranging from 65 cents to $1 per square mile. A good carrying capacity might be seven or eight animals per square mile. Stations in this drought-vulnerable vastness are big. One we visited was 6,159 square miles in size. That's nearly 4 million acres.

By way of contrast, we saw smaller operations in New Zealand where pastures carried up to four ewes and one cow to the acre. The year-around carrying capacities are astounding by our standards. They're blessed with a well-distributed 40 inches of rainfall a year and they fertilize generously, a lot of it by airplane.

The Angus breed dominates, with Herefords and Shorthorns battling it out for second place. The quality is excellent. Because of the high cost of grains, nearly all of the beef is finished on grass with little or no drylot feeding.

New Zealanders like the sheep-cattle combination, and it is unlikely that there will be a big shift away from sheep to cattle. Sheep and wool are their big sources of income and will undoubtedly stay No. 1, with beef and dairy next.

But Australia has a fantastic potential for increased beef production, and its numbers are building fast.

In southeastern Queensland we saw land being cleared in a 24-inch rainfall zone. The rough land cost about $10 per acre. It took another $22 to chain and burn, plow and seed. Planted to sorghum alum, they're fattening one steer per acre. There is a 15-million acre potential of this kind of land.

Further development in the vast "outback" must await more capital, but the bigger potential lies in the higher rainfall areas of the east.

The outback must develop more stock water and transportation facilities. A cow might have to go 15 miles for water, and some cattle still are driven as long as 6 months to reach market.

On one station we saw cattle that cost the rancher $7 for annual maintenance, but he needed another $14 to get each animal to market.

Outside capital is being encouraged to come into Australia for development of its beef industry. There are some meaningful incentives. For example, there is no capital gains tax, and the depreciation allowed to encourage capital improvements is such that at the end of 5 years it amounts to 120 percent.

Australia is a young country, a growing country, not unlike the United States a number of years ago. You can't help but feel after being there and talking with their people that they will overcome their problems. They will improve their cattle, their pastures, and their management.

We saw few signs that the whole meat industry "down under" is trying very hard to cushion itself against growing cost-price squeezes or possible disappearance of the U.S. market. Stockmen are concerned, and are pushing for more consumption at home or in other export markets. But exporting packers—and U.S. importers—have their sights set this way.

And this leads to the question: Will they continue to arouse the ire of American stockmen, political and business leaders so that severe restrictions are imposed? Already several bills calling for markedly higher tariffs or quotas have been introduced in Congress by alarmed lawmakers.

No American stockman wants to cut off reasonable competition. But his patience—and pocketbook—are worn mighty thin.

EXHIBIT 2

THE DENVER UNION STOCKYARD CO.,
Denver, Colo., November 15, 1963.

HON. GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: I am sure that you are aware that Rocky Mountain area cattle producers and feeders are suffering severe financial losses. Cattle feeders are caught between increased costs of production on one hand and the market-depressing effects of growing imports on the other; and this pressure is being passed on to the producer of feeder livestock. Cattle prices have been under the most sustained downward pressure at any time since 1952.

Last year I wrote you that I didn't feel that imports were the prime cause of the sharp decline in fed beef prices, at least to the degree that was being attributed to it by some livestock spokesmen. Since that time the picture has changed rapidly.

We estimate that as much as 13 percent of our total consumption originates with foreign producers. Imported tonnage of beef has risen dramatically each year, and trade sources believe that the trend will continue into 1964. At the same time fed cattle production will reach a record high domestically, and total cattle population is expected to reach a record 107 million head.

Until recently the efficiency of livestock producers was able to offset much of the effect of imports on prices. Now it has become apparent that if many of the elements of the industry are to survive, there must be Federal intervention in the manner and volume of movement of imported meat and meat products. We are not suggesting a complete ban of competitive meat, but we do believe a quota system should be instituted so that foreign importation will complement rather than conflict with our domestic production.

The effect of imports is particularly onerous because nothing has been done to effectively regulate food chain procurement and merchandising practices. The results of recent months demonstrate conclusively—if any doubt existed before—that food chains are able to exert unusual economic pressures on livestock products. It is no accident that food chain earning reports reflect sharply higher profits during the same period that livestock feeders were suffering severe losses. In Colorado and Wyoming many of your constituents have lost from $20 to $70 per head on the last two crops of cattle, and few in the industry have any optimism concerning price improvement for the next crop. While some relief is available through a tax carryback provision, we are aware that many cattle feeders are in a precarious financial position, and unless some relief is immediately forthcoming, we may expect a rash of bankruptcies, and, perhaps, a march of cattlemen on Washington.

As you are aware, there is before the Congress a joint resolution, Senate Joint Resolution 71, which would direct the Federal Trade Commission to make a comprehensive investigation of chainstore practices. In the light of recent events, we think that this could be most helpful in establishing cause and effect in the marketplace in the livestock industry. There is ample authority under title IV of the Packers and Stockyards Act of 1921, as amended, for the Secretary of Agriculture and the chairman of the Federal Trade Commission to conduct joint investigations in the livestock and meat industry. We have suggested action in this direction to the responsible officials of both agencies, but there has been no inclination on their part to do anything.

We alerted some of our Representatives in Congress earlier about the appointment of Dr. George L. Mehren as an Assistant Secretary of Agriculture. We believed that his choice for such a sensitive position, responsible for the Packers and Stockyards Division and other regulatory divisions of the Department, was unfortunate in the light of his background and ideology. He has been a frequent and outspoken champion of food chain interests, and at one time was privately retained to present their case. He has characterized the farmer "as a sort of peasant type of business organization, which is dying out," and has suggested that "if you want to get the obvious benefits of large-scale business you have to take the bankruptcy and decline of the old to get the new." With such an individual in charge of Packers and Stockyards we see little hope for independent and unbiased investigation of food chain practices. For this reason, we hope that you will support Senate Joint Resolution 71, and do everything in your power to see it out of committee and passed during this session of Congress.

You will be hearing from many of your constituents during the next few months concerning the import problem and other troubled areas of immediate concern to the livestock industry. You will also be hearing from my associate, John F. O'Dea, who is preparing a brief and factual statement concerning these issues that may be helpful to you in replying to the letters you may receive.

Sincerely yours,

WALTER CREW,
President and General Manager.

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

Mr. ALLOTT. I yield.

Mr. HRUSKA. I join my associates in congratulating the Senator from Colorado for his very comprehensive statement on this very troublesome and critical problem. The Senator from Nebraska has spoken at length. One of the most important items mentioned in the latter part of the Senator's remarks has to do with the fact that a year or 2 ago a committee from the American National Cattlemen's Association went to Australia for the purpose of surveying the situation there. A fellow Nebraskan, Mr. Earl Monahan, went along. He has told me that the surface has not been scratched so far as the volume of imports from Australia to this country is concerned. The Australians are opening new territory and adopting new methods of feeding and raising, which will bring their costs down. They are using new lands by way of reclamation projects and otherwise. Therefore, the future looks even more bleak than the present situation is. That factor should be taken into consideration in the determination that Congress do something about this whole problem.

Mr. ALLOTT. I am grateful to the Senator from Nebraska for emphasizing this matter because it is discussed in the article that Mr. McMillan wrote, which I have asked to have printed in the RECORD. He is exactly correct. We have not been looking at the worst of our problem. We must look for the worst of it as being still ahead so far as countries like Australia and New Zealand are concerned. Unless we move, and move promptly, the situation 6 months from now will be much worse than it is today.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1964—CONFERENCE REPORT

Mr. BYRD of West Virginia. 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. 7431) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1964, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

Mr. BYRD of West Virginia. Mr. President, the bill as recommended by the conferees provides for the appropriation of $313,093,424 for fiscal year 1964. This is $6,494,361 under the Senate bill. It is $28,806,624 over the House bill. It is $15,630,576 under the budget estimate.

The bill allows for a Federal payment of $37,500,000. The House had allowed $30 million. The Senate had appropriated $45 million.

It is estimated that there will be a surplus in the general fund, as of June 30, 1964, amounting to $2,048,000. The Senate bill allowed 1,063 additional positions. The conferees' action allows 831 additional positions, a reduction of 232 positions.

In conference, 96 positions for the Department of Education were dropped, but 86 of these were unbudgeted.

Ninety-two positions for the Departments of Health and Welfare were dropped in conference, but 92 unbudgeted positions had been added by the Senate.

Overall, I believe this is a good bill. The conference report is signed by all the conferees of both Houses.

I regret to say that the unbudgeted positions for the Department of Welfare were dropped in conference. This means that the 37 positions added by the Senate in the Child Welfare Division were dropped. It means that 42 positions for the Office of Investigations and Collections were dropped. The three additional positions included by the Senate for the purpose of assisting employable mothers to find employment were dropped. The unbudgeted moneys for foster home payments were eliminated.

So far as the Department of Education is concerned, the 44 additional elementary school teachers added by the Senate were dropped. The 25 additional teachers provided by the Senate for severely mentally retarded children were eliminated.

The 17 supporting positions added by the Senate in connection with the educational needs of severely mentally retarded children were dropped in conference.

The provision for two chaplains for the District of Columbia General Hospital was dropped.

The Senate conferees met with the House conferees upon five occasions. We did the very best we could. The House conferees were adamant in their opposition to the inclusion of unbudgeted positions and unbudgeted appropriations. The Senate conferees did, however, make some gains for the District by virtue of the fact that the budgeted positions for elementary school, junior high school, and senior high school teachers have been included. Also included were certain budgeted positions for the Department of Welfare, the Department of Health, and the Metropolitan Police Department.

I express appreciation to my fellow conferees who worked with me in our efforts to reach agreement with the House conferees. I particularly wish to express my gratitude to the senior Senator from Massachusetts [Mr. SALTONSTALL]. I feel that perhaps it was he who first initiated the movement toward a breakthrough in the conference. I pay tribute to him for the fine assistance he rendered.

I also wish to express my thanks to the majority whip, the distinguished senior Senator from Minnesota [Mr. HUMPHREY], for the fine support he gave me in the conference.

Again, I express gratitude to all of my fellow conferees and I also thank our faithful clerk, Mr. Harold E. Merrick.

Mr. RIBICOFF. Mr. President, will the Senator from West Virgina yield?

Mr. BYRD of West Virginia. I yield to the Senator from Connecticut.

Mr. RIBICOFF. It seems to me that we have turned our backs on the hungry children of the Nation's Capital. Only 1 month ago, the Senate had before it a budget for the District of Columbia that took some constructive steps on behalf of the poor and the hungry of Washington, D.C. I was glad to give full credit to the distinguished Senator from West Virgina [Mr. BYRD] for the work he had done to make these constructive improvements.

I know that the Senator from West Virginia has been severely criticized—in many instances unjustly—because in many of the steps he had taken he had really made some leaps forward to help the people of the District.

I thought we should take one additional step and provide funds for needy children of unemployed parents, but by a seven-vote margin, it was the decision of this body that this improvement should not be added this year. But surely that close vote indicated there was broad support for adding this improvement and overwhelming support for keeping the improvements already made by the Senate Appropriations Committee.

Now we find that the conference committee has taken a disastrous backward step. It is unfortunate that the unemployed parent program was not added. But it is a genuine tragedy that important parts of the Senate improvements for public welfare were cut out. This conference report cuts out the increased foster care payments provided by the Senate. It cuts out the additional Welfare Department personnel, 37 of whom were to be hired for child welfare services. It cuts out the rule that a woman who has made arrangements for care of her children has at least 3 months to find employment. Under this bill, we go back to the 1-month rule. So the woman with the initiative to learn a skill who started 1 month ago to find a job and has not found one in that time—her Christmas present from the Welfare Department and from the Congress will be notification that she is technically employable and no longer entitled to assistance.

Mr. President, I can vote for this bill only after having assured the Senate that my effort to provide the District of Columbia with adequate welfare funds will be renewed next year with all my energy.

I thank the Senator from West Virginia.

Mr. SALTONSTALL. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield.

Mr. SALTONSTALL. I agree with much of what the Senator has said. I hope these problems will be considered next year.

The conferees were up against the fact that there were a number of unbudgeted items in the bill. Under the leadership of the Senator from West Virginia, the Senate provided the full amount of the budgeted items, but the House strongly opposed the unbudgeted items. So the Senate conferees had to yield.

However, we succeeded in having the Federal payment for the District increased by $7,500,000. The Federal Government owes that to the District. That was a compromise in the right direction.

I am most sympathetic toward everything the Senator from Connecticut has said; but as a conferee who sat through a number of conferences, I can testify to the fact that we were up against the obstacle of unbudgeted items, and it was on them that we finally yielded.

Mr. RIBICOFF. I appreciate the position in which the conferees found themselves; but I believe it is important that we study these problems and bring public opinion to bear on them next year.

Mr. SALTONSTALL. I agree.

Mr. RIBICOFF. As I said during the debate on my amendment, and as I have said today, the Senator from West Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. SALTONSTALL], and other members of the District of Columbia Appropriations Subcommittee made some important advances. They recognized the constructive approaches that had to be taken if dependency was to be reduced and some of the basic problems in the District of Columbia were to be attacked. That is why I believe it is unfortunate that in conference the House insisted on deleting the forward steps that the Senator from West Virginia had achieved and accomplished. I hope that next year we can write these provisions, and others besides, into the bill, and that next year the House will yield to the position of the Senate.

Mr. SALTONSTALL. One of the most important provisions that the Senator from West Virginia was successful in having included in the report, and which we stood out for, was the provision for 343 new teachers in the schools. That is fundamental in the whole problem.

Mr. RIBICOFF. It is fundamental. I have spoken privately with the Senator from West Virginia about this subject. It seems to me that the problems in the field of education in the District of Columbia are about as different from those which exist anywhere else in the United States as they could be. Not only is there the question of additional positions; but the whole problem of curriculum emphasis, of what we are to do with youngsters to make certain they are self-supporting and self-sufficient and get as much out of their education as possible—all of this presents a strong challenge.

I am aware of the interest of the Senator from West Virginia and the Senator from Massachusetts in the problems of the District of Columbia. I am sure they will continue their constructive efforts to make certain that Congress, which in the final analysis has the additional burden and responsibility of the

problems of the District—because we really run the District of Columbia, when all is said and done—will approach these problems in the years ahead just as if we were approaching them as problems of our respective States.

Mr. SALTONSTALL. I agree with the Senator from Connecticut. I thank him.

Mr. HUMPHREY. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield.

Mr. HUMPHREY. It was my privilege to serve on the conference committee. I commend the chairman of the subcommittee, the distinguished Senator from West Virginia [Mr. BYRD]; and I thank the able Senator from Massachusetts [Mr. SALTONSTALL] for his helpful endeavors. He was exceedingly cooperative and did much to bring about the report.

I deeply regret that it was necessary for the Senate conferees to retreat from some of the Senate positions, because the action of the Senate and of the subcommittee, under the chairmanship of the Senator from West Virginia [Mr. BYRD], was most desirable and forward-looking and could have been exceedingly helpful in solving many of the problems of the District of Columbia.

Mr. President, before we vote on and approve the conference committee report on the District of Columbia budget—and approve it we must, if the District is to get any funds this fiscal year—we should pause and see what has happened. We should not delude ourselves as to what we are doing for the District.

As we all remember, the distinguished Senator from West Virginia, Senator ROBERT BYRD, did an admirable job in providing funds over and above the budget request to increase the welfare aid available to needy District residents. He increased the foster home payment, increased the number of welfare investigators, increased the staff of Junior Village, extended the time mothers could have to seek work after receiving training, and in other ways generally improved the welfare system in the District.

To those of us who desire the inclusion of an aid for the dependent children of unemployed parents—ADCUP—program in the District, the argument could be validly made, "You do not have aid for dependent children of unemployed parents but you do have all these other things. Let us not try to do it all at once."

I still voted for ADCUP, but I realized that much had been done.

Now we have neither ADCUP nor the other advances. All the increases above the budget request were slashed by the conferees. I am incensed at the treatment that is being meted out to the District in the name of welfare.

I am hereby serving notice that next year I am going to fight vigorously for ADCUP and all the other welfare reforms needed here. I understand that ADCUP was the lever used by the House to knock out the other measures. If I have my way next year, ADCUP will not be a subject of controversy between the House and the Senate. It will be in, and so will the rest, so far as we are concerned.

Mr. President, I regret particularly that we had to retreat from the Senate position on the extra teachers—an unbudgeted item—and the necessary teachers for retarded children. This is an area of great need, and we should place extra emphasis on it.

The supplemental appropriation bill will come before us in January; and I hope the efforts made by the Senator from West Virginia [Mr. BYRD] and his committee will be carefully considered by the executive branch and that steps will be taken—as so well outlined by the Senator from West Virginia—in terms of the foster care program, the teachers for the mentally retarded, the extra help needed at the Junior Village, and the other positions taken by the Senate.

I have signed the conference report because I believe it is the best we can do; but I think the other body, in driving us to this position, was quite shortsighted.

Mr. BYRD of West Virginia. Mr. President, in regard to the point made about the program of aid for the dependent children of unemployed parents, I wish to state that a great deal has been published in the press to the effect that this item was in conference. However, it was not in conference, for it was not included in the version of the bill passed by the House of Representatives and it was not included in the version of the bill passed by the Senate and sent to conference. The amendment offered by the able and distinguished Senator from Connecticut [Mr. RIBICOFF], which would have included this program for the District of Columbia, was rejected by the Senate on a yea-and-nay vote. Consequently, the conferees took up the bill in conference without this item.

I wish to read into the RECORD—in view of the fact that there has been so much misunderstanding and confusion about this subject—paragraph 2 of rule XXVII of the Standing Rules of the Senate.

2. Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained, the report shall be recommitted to the committee of conference.

This item was not in either the House version or the Senate version of the bill; and paragraph 2 of rule XXVII of the Standing Rules of the Senate provides that conferees shall not insert in their report matter not committed to them by either House, and that if that is done or if matter agreed to by both Houses is stricken from the report, a point of order may be made against it.

I have maintained all along that this item was not in conference; and if the conferees had inserted moneys for the ADCUP program, it would have constituted new matter in their report, and a point of order could have been made against the report. I have no doubt that a point of order would then have been made in the Senate. Whether a point of order could have been made in the House of Representatives, I am not prepared to say.

It would have been a vain and futile thing to attempt to insert this item in the conference report, and, in my judgment, the House conferees never at any time seriously contended that this subject was legitimately in conference.

I regret that certain very worthy items were not agreed to by the House conferees; but, as I have said, we did the very best we could, and I hope the conference report will be adopted.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the District of Columbia appropriation bill for the fiscal year 1964.

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

DISTRICT OF COLUMBIA

Summary of appropriation bill (H.R. 7431)

FEDERAL PAYMENT

[Out of the general revenues of the Federal Treasury]

Item	Appropriations, 1963 [1]	Budget estimates, 1964 [2]	House bill, 1964	Senate bill, 1964	Conference action
Federal payment to the District of Columbia (general fund)	$30,000,000	[3] $50,000,000	$30,000,000	$45,000,000	$37,500,000
Federal payment to the District of Columbia (water fund)	1,938,000	1,924,000	1,924,000	1,924,000	1,924,000
Federal payment to the District of Columbia (sanitary sewage works fund)	961,000	944,000	944,000	944,000	944,000
Federal payment to the District of Columbia (metropolitan area sanitary sewage works fund)	300,000				
Total Federal payment	33,199,000	52,868,000	32,868,000	47,868,000	40,368,000

See footnotes at end of table.

DISTRICT OF COLUMBIA—Continued

Summary of appropriation bill (H.R. 7431)—Continued

LOAN AUTHORIZATION

[Out of the general revenues of the Federal Treasury]

Item	Appropriations, 1963 [1]	Budget estimates, 1964 [2]	House bill, 1964	Senate bill, 1964	Conference action
Loans to District of Columbia for capital outlay (general fund)	$18,700,000	[4] $12,800,000		$12,800,000	$11,300,000
Loans to District of Columbia for capital outlay (highway fund)	1,600,000				
Loans to District of Columbia for capital outlay (sanitary sewage works fund)	3,242,000	8,000,000	$8,000,000	8,000,000	8,000,000
Loan to metropolitan area sanitary sewage works fund	2,500,000				
Total, loan authorizations	26,042,000	20,800,000	8,000,000	20,800,000	19,300,000
OPERATING EXPENSES					
General operating expenses:					
Executive Office	796,778	1,290,500	758,300	1,188,902	1,092,480
General administration	7,011,286	7,911,600	7,204,600	7,725,237	7,558,373
Regulatory agencies	1,920,511	2,076,300	2,016,300	2,065,712	2,063,130
Occupations and professions	455,383	478,900	467,500	475,220	471,813
Public Library	3,201,370	3,513,300	3,449,100	3,482,626	3,478,395
Veterans' affairs	119,600	111,700	110,000	111,800	111,800
Buildings and grounds	2,678,822	2,911,700	2,692,400	2,895,087	2,895,087
Surveyor's Office	204,000	212,000	211,800	211,800	211,800
Total, general operating expenses	16,387,750	18,506,000	16,910,000	18,156,384	17,882,878
Public safety:					
Corporation Counsel	980,053	1,122,000	1,056,000	1,078,933	1,065,523
Metropolitan Police	28,306,965	31,163,000	30,402,220	31,032,543	31,028,043
Fire Department	13,740,565	15,488,900	15,329,030	15,408,524	15,362,530
Civil defense	95,000	156,000	101,550	131,666	122,850
Courts	6,402,371	6,921,300	6,695,000	6,796,185	6,771,463
Corrections	7,957,457	8,663,500	8,241,000	8,406,783	8,403,907
Licenses and inspections	2,816,342	3,036,800	3,009,000	3,021,519	3,019,144
National Guard	191,847	198,500	198,200	198,200	198,200
Total, public safety	60,490,600	66,750,000	65,032,000	66,074,353	65,971,660
Education: Public schools	59,504,750	65,271,000	61,670,000	64,226,172	63,860,593
Parks and recreation:					
Recreation Department	3,415,247	3,703,400	3,605,000	3,656,005	3,656,005
National Capital parks	3,643,806	3,824,900	3,713,500	3,813,500	3,813,500
National Zoological Park	1,504,997	1,637,700	1,534,500	1,607,376	1,597,356
Total, parks and recreation	8,564,050	9,166,000	8,853,000	9,076,881	9,066,861
Health and welfare:					
Vocational rehabilitation	401,800	595,700	443,000	471,880	498,157
Public health	44,022,800	47,214,500	44,010,000	46,934,389	46,909,536
Public welfare	21,488,301	25,526,800	21,863,000	23,796,973	23,118,355
Total, health and welfare	65,912,901	73,337,000	66,316,000	71,203,242	70,526,048
Highways and traffic:					
Department of Highways and Traffic	9,624,500	10,520,500	10,152,700	10,445,481	10,430,481
Motor vehicles	1,624,175	1,793,000	1,767,000	1,764,072	1,759,203
Motor Vehicle Parking Agency	205,100	218,500	218,300	218,300	218,300
Total, highways and traffic	11,453,775	12,532,000	12,138,000	12,427,853	12,407,984
Sanitary engineering:					
Department of Sanitary Engineering	18,155,838	18,987,200	18,263,000	18,838,600	18,838,600
Washington aqueduct	2,894,700	2,943,800	2,942,000	3,012,500	3,012,500
Total, sanitary engineering	21,050,538	21,931,000	21,205,000	21,851,100	21,851,100
Miscellaneous (claims, suits)	36,600				
Total, operating expenses, by funds:					
General fund	224,231,190	243,534,500	228,871,300	239,276,415	237,900,613
Highway fund	6,227,801	9,239,000	8,329,700	9,101,343	9,044,284
Highway fund (parking account)	2,906,400	3,169,800	3,783,500	3,169,500	3,169,500
Water fund	6,950,018	7,257,700	7,076,900	7,253,888	7,245,888
Sanitary sewage works fund	3,985,555	4,239,800	4,056,400	4,182,079	4,174,079
Metropolitan area sanitary sewage works fund		52,200	6,200	32,760	32,760
Total, operating expenses, by funds	243,400,964	267,493,000	252,124,000	263,015,985	261,567,124
REPAYMENT OF LOANS AND INTEREST					
General fund:					
Construction loan		1,018,445	1,018,445	1,018,445	1,018,445
Stadium loan		856,855	792,355	856,655	856,655
Total, general fund		1,875,300	1,810,800	1,875,100	1,875,100
Highway fund—construction loan		1,841,700	1,841,700	1,841,700	1,841,700
Water fund—construction loan		1,124,000	1,124,000	1,124,000	1,124,000
Sanitary sewage works fund		149,000	148,900	149,000	149,000
Metropolitan area sanitary sewage works fund			64,400		
Total, repayment of loans and interest		4,990,000	4,989,800	4,989,800	4,989,800
CAPITAL OUTLAY					
District debt service	2,468,278	915,500	915,500	915,500	915,500
Public building construction	24,709,197	24,236,900	2,757,000	21,986,400	18,940,900
Highways and traffic	9,978,525	12,310,900	10,737,500	11,280,400	11,280,400
Sanitary engineering	12,235,000	16,921,700	11,107,000	15,543,700	13,543,700
Washington aqueduct		1,856,000	1,656,000	1,856,000	1,856,000
Motor Vehicle Parking Agency	60,000				
Potomac interceptor sewerline	2,800,000				
Total, capital outlay, by funds					
General fund	30,748,169	31,353,500	3,672,500	29,102,600	24,137,100
Highway fund	9,811,142	11,865,500	10,737,500	10,835,400	10,755,400
Highway fund (parking account)	60,000				
Water fund	1,748,053	2,970,000	2,711,000	2,970,000	2,970,000
Sanitary sewage works fund	7,083,636	10,052,000	10,052,000	8,674,000	8,674,000
Metropolitan area sanitary sewage works fund	2,800,000				
Total, capital outlay, by funds	52,251,000	56,241,000	27,173,000	51,582,000	46,536,500

See footnotes at end of table.

DISTRICT OF COLUMBIA—Continued

Summary of appropriation bill (H.R. 7431)—Continued

LOAN AUTHORIZATION—Continued

[Out of the general revenues of the Federal Treasury]

Item	Appropriations, 1963 [1]	Budget estimates, 1964 [2]	House bill, 1964	Senate bill, 1964	Conference action
RECAPITULATION BY FUNDS					
General fund	$254,979,359	$276,763,300	$234,354,600	$270,254,115	$263,912,813
Highway fund	16,038,943	22,946,200	20,908,900	21,778,443	21,641,384
Highway fund (parking account)	2,066,400	3,169,800	3,783,500	3,169,500	3,169,500
Water fund	8,698,071	11,351,700	10,911,900	11,347,888	11,339,888
Sanitary sewage works fund	11,069,191	14,440,800	14,257,300	13,005,079	12,997,079
Metropolitan area sanitary sewage works fund	2,800,000	52,200	70,600	32,760	32,760
Total, all funds	295,651,964	328,724,000	284,286,800	319,587,785	313,093,424

[1] Includes $6,629,014 contained in Supplemental Appropriation Act, 1963 (Public Law 88-25).

[2] Includes $39,142,000 in supplemental estimates, as follows: S. Doc. No. 32 (B budget). $38,030,200; S. Doc. No. 37 $804,000; S. Doc. No. 41, $308,000.

[3] Includes $18,000,000 supplemental estimate, S. Doc. No. 32.

[4] Included in S. Doc. No. 32.

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). The question is on agreeing to the conference report.

The report was agreed to.

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 7431, which was read as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 8, 17, 24, 48, and 49 to the bill (H.R. 7431) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District 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 25, and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$68,247".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 42, and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$6,700,000".

Mr. BYRD of West Virginia. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to Senate amendments Nos. 25 and 42.

The motion was agreed to.

ARAB BOYCOTT PRACTICES

Mr. JAVITS. Mr. President, the news ticker and the news reports show a very considerable preoccupation on the part of the press with what is happening in connection with Arab boycott practices and the efforts to utilize the Arab situation in order to suppress various kinds of activity, including films to be shown by the U.S. Information Agency in Arab countries.

The U.S. Information Agency has denied reports of film censorship of scenes involving a rabbi which is alleged to have resulted in order to avoid offending Arab governments, and has clarified the circumstances which gave rise to the newspaper articles. These reports demonstrate, however, the extent of the influence regrettably exerted by the Arab boycott practices.

The U.S. Information Agency has no such policy pertaining to its material, nor will it ever adopt one, the Agency said.

The Agency pointed out that TV film clips showing world reaction to President Kennedy's death were sent worldwide on November 27. These TV clips, which showed the burial scene at Arlington National Cemetery, also depicted commemorative services in a Jewish synagogue, as well as in a Catholic church and in a Protestant church, and were sent to those Middle East countries not receiving American commercial TV service. These were the United Arab Republic, Saudi Arabia, and Kuwait.

Among the Agency's recent movies that were sent to the Middle East were ones titled, "Making of Champions," which showed Israeli athletes in pre-Olympic competition; the "Herald-Tribune Youth Forum," which included Israeli participants; and "With These Hands," the film produced by the International Garment Workers Union.

Other Agency films sent to the Middle East were on Artur Rubinstein, the pianist; Jascha Heifetz, the violinst; the "Family of Man" which featured Albert Einstein; and "Assignment Children," the story of Danny Kaye's world travels for UNICEF.

A 20-minute Agency TV program on the civil rights march on Washington on August 28, noted that Catholics, Protestants and Jews participated in this event. This program also went to Middle East countries.

Year after year since 1956, Congress has adopted to the foreign aid bills strongly worded amendments firmly pronouncing its repugnance and opposition to the Arab boycott and to the blacklisting and other discriminatory practices affecting Americans, and calling for their termination. But year after year those positive expressions of congressional direction have been watered down by the negativism of the Middle East policy carried out by the Department of State.

Mr. President, this morning there came from Damascus, Syria, the following news item:

DAMASCUS.—Eighty-four American business companies and 10 U.S. entertainers have been blacklisted so far by the Arab League's movement to boycott Israel.

The U.S. companies and entertainers were on the Arab League's blacklist during the past 3 years. No blacklistings against Americans have been made since the Mancroft affair in England, an Arab spokesman said.

The Israel boycott central office said it banned these American entertainers: Frank Sinatra, Elizabeth Taylor, Jerry Lewis, Joanne Woodward, George Jessel, Eddie Cantor, Paul Newman, Edward G. Robinson, Harry Bellafonte, and Danny Kaye.

The entertainers were banned from entering any of the 18 Arab nations and their films were barred from Arab movie screens.

Among the American companies banned by the Arab League were Studebaker Packard, Kaiser Frazer, and Willys. The companies are not permitted to sell or operate in the Arab world.

World attention was drawn to the Arab League's boycott of Israel this month when Lord Mancroft, a Jewish peer in London, was forced to resign from the Norwich Insurance Co.'s board of directors because of Arab pressure, provoked by Mancroft's business interests in Israel.

This is the first time to my knowledge that anyone has said that Harry Bellafonte is Jewish. This boycott is extended not only against Jews, but also against Negroes.

This situation is becoming somewhat ridiculous, especially when we learn from the news from Great Britain that a very distinguished man, Lord Mancroft, was forced to leave the London advisory board of a very large insurance company because of his friendship with Sir Isaac Wolfson, a British merchant-financier and benefactor of the Zionist cause. The situation is becoming so ridiculous that I believe the Government of the United States should use this as an occasion to change its policy in the whole situation.

On the whole, the United States has been trying to placate and appease the Arab States, and has been cutting and trimming in an attempt to do so. But that policy does not work. Neither does it work with President Nasser of the United Arab Republic, as the Senator from Alaska [Mr. GRUENING] will inform the Senate in a few minutes, in connection with the foreign aid program and his outstandingly fine amendment, as now contained in the bill; and it does not work with the Arab League or with any of the Arab States. It is demeaning to have the U.S. Information Agency put in a position of apologizing to the Jewish citizens of the United States because of

what it did or did not do in connection with a particular motion picture film.

There has been a long protestation.

This policy continues to deprecate any broad initiatives in the Arab-Israel dispute because the State Department believes that these measures would boomerang and create new tensions. That negative policy is responsible for the slap-on-the-wrist kind of action that our diplomats administer to Arab governments who discriminate against American citizens and boycott American business firms. It is responsible for our failure to make President Nasser live up to his promise to open the Suez Canal to the shipping of all nations—he still bars Israel's shipping to this day.

We will continue to miss the boat in the Middle East as long as the Department of State refuses to accept the realities behind Arab threats and confines its actions to pious intentions and quiet diplomacy. In this foreign aid appropriations bill and in the foreign aid authorization bill also, the Congress has made its intentions on this issue crystal clear, and the Department of State should carry out that mandate to the best of its ability.

The Arab boycott must be resisted as a threat to world trade and world peace. It will continue to spread only if we continue our soft policy toward it. Yesterday, I pointed out the extent of the Arab boycott in the United States. Today, I should like to show the extent of its influence abroad.

I ask unanimous consent to have printed in the RECORD the survey by Clyde H. Farnsworth entitled "Arabs' Economic Influence Wide" which was published in the New York Times, December 15. Also the report headlined "Arab League Assails Britain Over Israel" which was published in the New York Times, December 18.

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

[From the New York Times, Dec. 15, 1963]

ARABS' ECONOMIC INFLUENCE WIDE—MANCROFT AFFAIR POINTS UP POWER WIELDED WITH BOYCOTTS

(By Clyde H. Farnsworth)

LONDON, December 14.—Arab economic influence reaches into the board rooms of many of the world's corporations.

The furor created by one big British company's capitulation to an Arab demand to discriminate lifted the veil over the Arabs' chief weapon, an economic boycott.

But other more subtle measures exist and are all brought to bear against what the Arabs say is their implacable enemy, the 15-year-old state of Israel.

Much of the world's oil comes from the Arabian lands of sand and sun surrounding Israel. The oil is produced by large, internationally minded companies and profits are split roughly 50–50, although the trend is now for the companies to get less.

The Royal Dutch Shell group sold the Shell Oil Co. of Palestine in 1958 because of commercial considerations. But there were trade reports that the Arabs had threatened trouble for the group unless it got rid of the Israeli marketing company.

Later in 1958, Shell and the British Petroleum Co., controlled by the British Government, sold a jointly owned refinery at Haifa.

LIVING STANDARDS

With their oil royalties, Arab heads of state have moved desultorily in the direction of expanding their peoples' living standards and at the same time they have built up huge personal fortunes.

Some of their funds have gone into the world's stock markets, particularly London, where no rules force disclosure of the identity of major stockholders. Important stockholders may use subtle or not so subtle pressures to achieve their ends.

The Mancroft affair has been a blatant example of Arab pressure brought to bear by the threat of economic boycott.

As far as anyone knew, it was the Arabs' first attempt to blackball a man because of his associations with a private benefactor of Israel.

Lord Mancroft, a 49-year-old former Conservative Minister, had sat on the London Advisory Board of the $750 million Norwich Union Insurance Societies since 1939.

The job involved him in no foreign dealings, but only in advising on insurance in the London area. He attended one meeting a month and was paid $2,800 a year.

Lord Mancroft is Jewish, but this, according to all parties in the dispute, had nothing to do with the Arab demands for his resignation.

The cause, instead, was his "other business interests," which involved close association with Sir Isaac Wolfson, a British merchant-financier and benefactor of the Zionist cause.

The Arab League's boycott of Israel office in Damascus told the Norwich Union that unless Lord Mancroft went, the company's policies would not be honored in the Arab world.

The company sells few policies in Arab lands, but it does insure companies with business there. It also sells worldwide transit coverage which would probably be affected by an Arab boycott.

The company yielded, but tried to do so quietly, making the resignation announcement as brief as possible and describing it as a "normal business announcement."

When the circumstances became known, howls of resentment filled the air. Jewish groups and others termed the company weak-willed and deplored the use of Arab pressure on the internal affairs of a British company.

Observers pointed out that West German and Dutch concerns had long resisted the Arabs' boycott pressures and appeared to be none the worse for it.

The foreign office, when the furor was the loudest, publicly rebuked the Arabs. This was a marked departure from its position over the years of quietly making representations on behalf of British concerns threatened by the Arab boycott.

The foreign office resented not only the pressures on Norwich Union to discriminate, but the role of Arab embassies here in exerting pressure on many companies.

GOVERNMENT POSITION

After the Government statement, Norwich announced that Lord Mancroft could rejoin the board, but he refused.

The Government maintained throughout that it was taking no sides in the Arab-Israeli dispute. It also maintained that an economic boycott was the right of sovereign states and that the Arab embassies were free to seek information from British concerns to enforce the boycott.

Where does information-seeking end and undue pressure begin? There is no exact guide, but the Government indicated that Arab embassies had clearly overstepped reasonable bounds.

The boycott of Israel office in Damascus, established in 1951 by the Arab League, has since its inception put economic pressure on companies to get them to limit or cease trade with Israel.

Companies suspected of enhancing the Israeli economy or alleged warmaking potential are asked, in effect, to show cause why they should not be barred from commerce in the Arab world.

Blacklisting follows if the companies are unable to give the 13 regional commissioners of the boycott committee and the Commissioner General, Mohammed Mahgoub of Egypt, satisfaction.

The committee meets twice a year to determine whether to add or delete a company from the blacklist. But the committee does not necessarily get all the Arab states to respect the embargo. Some refuse to ratify the committee's decisions. Others ratify and still trade with a blacklisted company when it suits their purpose.

Information about which companies do business with Israel, how much, and who sits on their boards is gathered through a worldwide intelligence network, including the commercial attachés at Arab embassies.

THE BLACKLIST

Hundreds of companies are on the blacklist, including about 50 in Britain. The Arab League says the names of 80 British companies have been deleted from the list by their compliance with certain requests.

The league consists of Algeria, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Syria, Tunisia, the United Arab Republic and Yemen.

Although some groups would like to see the British Government condemn the boycott, there is little likelihood of this for then it would apparently have to condemn all boycotts, including the U.S. embargo on goods to certain Communist countries.

Prime Minister Sir Alec Douglas-Home says the companies themselves must decide their own policies. If they find themselves in difficulties, then, he said, the Government is at their disposal to help.

There is little doubt, however, that the companies' resolve to resist Arab pressures has been strengthened. The strong foreign office stand lessens the likelihood of material disadvantages from resistance.

At the same time the companies will remember for a long time the experience of the Norwich Union, pilloried in the press, a loser of both good will and business, and a new symbol in Britain for capitulation.

[From the New York Times, Dec. 18, 1963]

ARAB LEAGUE ASSAILS BRITAIN OVER ISRAEL

CAIRO, December 17 (Reuters).—The Arab League Economic Council adopted today a resolution denouncing Britain's attitude "concerning the Zionist campaign against Arab boycott machinery."

The resolution said that interference by the Government of Britain or any other country to hamper the Arab boycott of Israel would "Inevitably lead to reconsideration of the Arab States' economic relations with that country."

The council, which ended meeting here today, declared that "support from any country for the policies of world Zionism is considered support for Israeli aggressive acts."

In another resolution dealing with the Arab stand toward the European Economic Community the council called on Arab States "to observe their obligations and not to make any commitments that would conflict with the proposed Arab Common Market or Arab economic unity agreement.

"Arab states should not grant any privileges to European Common Market countries," the council decided.

Mr. JAVITS. We go through the list of boycotts—which have no validity in international law and are honored more in the breach than in the observance—of American companies and outstanding

American entertainers, yet we maintain allegedly cordial diplomatic relations with those countries, and in many cases we give them aid such as we give President Nasser. We give hundreds of millions of dollars in the way of food and other aid and comfort to the Arab countries.

I believe the Foreign Office of Britain, which has often been accused of backing down, this time has given us the lead. The Foreign Office publicly rebukes the Arabs in the case of Lord Mancroft. It is high time the United States began to take a much harder line than it has heretofore pursued in this situation.

The amendment to the Foreign Assistance Act of 1963 which has been adopted shows what the attitude of Congress has been since 1956. I hope that, together with President Johnson, the administration will listen at long last and that it will enforce the amendment and cut off aid to Nasser if he insists on continuing the completely artificial state of war with Israel, blockading Israeli ships moving through the Suez Canal, preaching acts of aggression against the Yemen and other Arab States, and preaching aggression against Israel. I believe that would be one salutary lesson.

The other lesson would be to make it perfectly clear to the other Arab States that we will not tolerate the manner and the treatment of American citizens or American business concerns for reasons which have absolutely no basis in fact, in rationale, in history or in international practice with respect to boycotts.

For too long, the Arab States have been indulging in these fictions. The boycott worked to bring about peace in the Middle East we could say that we do not like it, but at least it works. It has worked completely in reverse. The situation is worse now than ever before—and more dangerous, as is evident by Nasser's intercession in Yemen, in Jordan, in Syria, and in Iraq.

Therefore, I urge the administration to adopt a much harder line than it has adopted up until now.

This amendment in the Foreign Assistance Act of 1963 will give it the key and the ability to do so.

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

Mr. JAVITS. I yield.

Mr. GRUENING. I wish to applaud the remarks of the junior Senator from New York and to associate myself with them. I believe the action now provided in the amendment to the Foreign Assistance Act gives the President the opportunity to put an end to this belligerence, this warmongering, this threatening of peaceable states, this incitement to assassination, and this aggressive warfare which the United Arab Republic has carried on for 16 months in Yemen at a cost of approximately $200 million, which is approximately the amount of money which we have poured into Egypt presumably to take care of its impoverished people while their boss, the absolute dictator of Egypt, spends the money in military ventures.

I believe it is high time we did our part to stop the inevitable arms race which is being precipitated by lack of action. We know that Nasser is now engaged in an elaborate buildup with the assistance of Nazi technicians and with the assistance of Soviet Russia. He is building supersonic jet planes, submarines, and missiles and other weapons which can be intended for aggressive warfare. It is inevitable that the countries which know they are being threatened by this prospect, feel obliged to spend their funds, which they need for economic development, in corresponding buildups.

The United States holds great responsibility for the situation if it does not take advantage of legislation which is now in the act, and act upon it.

Mr. JAVITS. I thank the Senator from Alaska.

THE RESIDUAL FUEL OIL PROBLEM

Mr. JAVITS. Mr. President, if the Senate will indulge me for 1 more minute I should like to address myself to the residual fuel oil problem. On December 9, President Johnson decided to turn over to the Interior Department authority to determine national oil policy—including the operation of the residual fuel oil import controls—which prompts me to focus public attention once more on the plight of the New York consumer under this program.

As a direct consequence of existing residual fuel oil import controls, suppliers in the New York harbor area are short of supplies; there is not one major supplier which has not been forced to borrow during the current fuel oil quarter ending December 31 from other suppliers to keep their customers supplied; existing controls have caused chaos requiring that costly arrangements be made, including the borrowing of stocks against future allocations and conversion of several electric generating plants from oil to coal at a great cost to commercial and industrial users.

The existing import control program—the use of historic pattern as the principal basis of allocation—has resulted in the creation of fundamentally anticompetitive conditions in this country with great injury to consumers—schools, hospitals, industrial plants, electric utilities, office and apartment buildings; it has inhibited the normal process of growth and change through competition, and has resulted in growing concentration and increasing domination of the industry by the principal historical importers. The major portion of the total imported residual fuel oil allocation on the east coast is in the hands of 4 oil marketers which between them have a 59-percent share of the total import allocation, the remaining 41 percent being allocated among the 44 independents.

The problem created by existing fuel oil import controls is clearly illustrated by the plight of two major electric utilities in New York. Consolidated Edison of New York is faced with a deficiency of approximately 3 million barrels of residual fuel oil between now and the first of April 1964. This volume is needed to supply their new Ravenswood power station which commenced operation in April 1963. The total demand of this station during the next allocation year, beginning April 1, 1964, will be 5½ million barrels and will increase to 14 million barrels by 1968. The New England Petroleum Corp., being one of two suppliers to Consolidated Edison, has notified the Oil Import Administration that unless some means is found by February 1964, to alleviate Consolidated Edison's residual fuel oil problem, it will be unable to meet its contractual commitment and the good and welfare of New York City will be seriously threatened. That the volume of fuel available under the overall residual fuel oil quota is inadequate to cover new requirements, such as Consolidated Edison's, is evidenced by a survey made of the market by New England Petroleum to determine the availability of residual fuel oil to Consolidated Edison from other sources. Only two cargoes, approximately 210,000 barrels, were found available and only at a prohibitive price of $2.35 per barrel. Similar surveys conducted by both Consolidated Edison and Long Island Lighting Co. to find this fuel at an acceptable cost have been unsuccessful.

The case of Long Island Lighting Co. is somewhat similar in that they have constructed a new 185,000-kilowatt generating station in Island Park, Long Island, which will require annually 1,600,000 barrels of residual fuel oil. In the absence of assistance from the Department of the Interior, despite frequent requests from the company, including one addressed by me to the Department on November 20, it became necessary for the Long Island Lighting Co. to convert two of their generating units from oil to coal at a cost of $135,000. Incremental costs of burning oil versus coal are approximately $200,000 per annum additional. A portion of the latter increase will immediately be reflected in the bills of larger commercial and industrial users, whose rates are subject to a fuel cost adjustment. Here is an illustration of a utility being forced to convert from one energy fuel to another, inconsistent with what it deems to be good and prudent judgment.

The demand for residual fuel oil import has gone up rapidly in the postwar years for several reasons, primarily because of the increased energy needs of industrial consumers and utilities in the past couple of decades, and air pollution which caused conversions in densely populated areas from coal to oil. Residual fuel oil is competitive with domestic gas and, in a narrow area, with domestic coal. This competitive market amounts to approximately 6 million tons of coal which matched against an annual production of 400 million tons is a very insignificant amount.

In coastal States, which are far removed from domestic sources of coal and gas, imported residual fuel oil is an essential source of energy. Domestic production of residual fuel oil has fallen each year since the war, from over 20 percent per barrel of domestic crude oil

to just over 8 percent today and is insufficient to supply domestic needs. High costs of the domestic raw material—crude oil—and better technological and engineering refinery processes, which produce a product with a higher value per each barrel of oil refined, will further diminish the availability of this fuel from domestic sources. Imported residual fuel oil thus has been and will increasingly become essential to fill the gap between domestic supply and demand.

The domestic coal industry has undertaken an energetic effort to protect its domestic markets by putting steady pressure on the White House, the Congress, and the Interior Department, to maintain or even restrict the existing import program. Americans are, of course, sympathetic to the problems of the domestic coal industry. I wish to point out, however, that the well-known memorandum of the Office of Emergency Planning for the President of February 13, 1963, stated that the difficulties confronting the domestic coal industry cannot be justifiably charged to residual fuel oil but instead to various patterns of change and fuel uses, for example, increased consumption of natural gas and diesel oil in place of coal by major users.

The fuel oil import quota set for the year ending March 31, 1964, underestimated the energy needs of the east coast—containing a vital portion of the industrial capacity of this country—the result of which has been a retardation of economic growth in this area, in direct contradiction with the country's current needs and the oft stated policy of this administration.

I firmly believe that the most desirable action from the point of view of the consumer—as well as the requirements of the domestic economic growth of our country—would be to dismantle the present quota system on residual fuel oil imports and to allow the normal competitive forces of the marketplace to prevail.

I have, therefore, joined with Senator KEATING, in a letter sent today to Secretary Udall outlining the problem facing New York and the east coast and requesting that the existing controls be eliminated.

I have also addressed a letter to Senator SPARKMAN, chairman of the Senate Select Committee on Small Business, asking that the committee, at the conclusion of its study of the crude oil import allocation problem, undertake a full investigation of the economic consequences of residual fuel oil import controls to the American consumer.

I strongly urge the chairman that the hearings to be undertaken as early as possible in the next session, so that the results of its findings and recommendations may be made known to Secretary Udall before the start of the next fuel oil import year on April 1, 1964.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter addressed to the Secretary of the Interior.

There being no objection, the letter sent to have printed in the RECORD the as follows:

DECEMBER 18, 1963.

The Honorable STEWART L. UDALL,
Secretary of the Interior,
Department of the Interior,
Washington D.C.

DEAR MR. SECRETARY: On March 27 and again on May 15 of this year, we addressed a letter to you which contained a series of pertinent questions concerning the residual fuel oil import control program. To date, we have never received a satisfactory answer to our several queries. Since the economic conditions governing the supply of this product to the residents of our State, and in fact all consumers of energy in all the Atlantic Coast States, have in the interim seriously deteriorated to the point where the major utility companies in the New York metropolitan area are being forced to convert their plants from the consumption of residual fuel oil to high cost, inconvenient and high air pollution coal, we deem it incumbent on us to once again draw your attention to this important issue and also to once again ask for satisfactory answers to our questions.

To review the past. On May 22, 1961, the then Office of Civil and Defense Management announced that it would conduct an investigation to determine the effect, from the national security standpoint, of the import controls on residual fuel oil. In spite of the fact that OCDM was required to effectuate a prompt study of such questions, it was not until February 13, 1963, that the successor to OCDM, namely, the Office of Emergency Planning, released its covering memorandum to the President. In this report, it cited the "authority to regulate imports is limited to the control deemed necessary to prevent imports of an article from threatening to impair the national security."

In spite of the following statements that were a part of the memorandum for the President of February 13, 1963, controls were continued and in fact the conclusions of the memorandum are hard to justify in the face of these official views. That "a careful and meaningful relaxation of controls would be consistent with national security and the attainment of hemispheric objectives which contribute to national security." Ever this relatively modest recommendation has not been implemented to date.

Statements made by various government departments underscore the OEP's recommendation regarding national security and competition. Under Secretary of State Mr. Ball said: "It has been particularly difficult in the case of residual fuel oil to relate, with any effectiveness, the framework of our restrictions to clearly demonstrated security needs." The Department of Defense stated: "As residual fuel oil production continues to decline in continental U.S. refineries we feel that imports should make up the deficit, which will have to be done in national emergencies * * * we cannot see wherein residual fuel oil imports can seriously endanger the national security."

On the question of competition the GSA stated: "We believe that our experience in the procurement of residual fuel under the oil import program has restricted full and free competition in our procurements and has resulted in this agency, in the main, paying prices in excess of that which would have been obtained, if there were no restrictions on the import of this product." In this regard GSA has had to enlist the help of the Department of the Interior Oil Import staff to request the Paragon Oil Co. into negotiating a supply contract for the current fiscal year—the argument used was that Paragon received the import quota for this business based on deliveries made in the base period. Paragon in turn, we understand, was forced to cancel contracts they held in New England. Further, if the local supplier of this fuel in the Washington area could have obtained an import license he could have quoted a price that would have meant a savings of around $300,000 to the taxpayer.

The Department of Justice stated in the memorandum that the present controls of residual imports are detrimental to existing and future competition particularly in fuel oil marketing. Present regulations have eliminated competition and the east coast consumer is in a straightjacket that makes him a captive of the supplier who has received the import tickets covering that consumer's fuel needs. In addition the independent small businessman who markets this product is also captive to the major supplier that has received the import credit and license for that independent's market requirements.

The memorandum further stated, "Accordingly, in terms of east coast availability in emergencies, there is relatively little difference whether the residual is of domestic or foreign origin, provided the source is within this hemisphere." Since the inception of this control program over 70,000 barrels per day have been diverted by the regulations from Venezuela to a Persian Gulf source. We have read in the press that foreign oil interests have been negotiating the purchase of one of the largest importers which, if successful, would mean another diversion of over 40,000 barrels a day from the Western Hemisphere to the Persian Gulf.

The comments you made that were reported in the memorandum, and we quote excerpts: "In the short run, through generating lower prices, it would tend to lower refinery revenues and, therefore, to reduce the ability of the industry to conduct exploration, and, perhaps, have a minor impact on the price of crude," were rather contradictory. On what basis do you conclude that lower prices would be generated and how do you justify such an argument when this program is not supposed to be a price control program but in fact can only be justified on the basis of national security? You then went on to state: "It would be almost impossible, however, to isolate the moderate effects which might be anticipated from decontrol from normal changes in market conditions stemming from variations in the balance between demand and supply." We find your argument with no real basis of fact—in the light of President Johnson's program of getting a dollar value for a dollar spent as well as his commendable program to reduce the Government's operating expenses. We can see no case for maintaining a program just to keep an agency (OIA) in existence. We agree with the views of the Department of Commerce, "the continuation of the residual fuel oil import quota plan as a method of increasing exploration, drilling, reserves and crude oil outputs appears rather tenuous."

Further, Mr. Secretary, your views are 100 percent contrary to the views of the oil industry, regarding the impact of residual fuel oil on the domestic oil industry. At the hearings before the subcommittee No. 4 of the Select Committee on Small Business, House of Representatives, (87th Cong., 1st sess., pursuant to H. Res. 46) conducted in November 1961, Frank Porter (since deceased), president of the American Petroleum Institute, publicly stated: "I have always contended there should be no inhibitions at all on the bringing in of residual fuel oils. If it were not processed by American refiners—if it was brought in simply for fuel—I don't see, I never seen any real reason to have any restrictions on it whatsoever."

This clearly indicates that residual fuel oil imports were of no concern or impact on domestic production. At the annual meeting of the Independent Petroleum Association of America held in Dallas in November 1963, the resolution on crude oil imports specifically excluded residual fuel oil. I would draw your attention to a very excellent and detailed analysis of this subject that was included in the CONGRESSIONAL RECORD dated August 6, pages 14314 and 14315 by Representative FOREMAN of Texas.

Next year Governor Herter, our trade negotiator, and his team will sit down with the other GATT countries and attempt to negotiate trade and tariff concessions. We are in a difficult enough negotiating position without compounding our problem by maintaining a nontariff barrier for which there is no honest justification from a strictly national security standpoint. Imports of residual fuel oil are running in excess of $700 million a year and not only will this compromise and embarrass our negotiating team, but it will give a valid reason to the other countries at the conference to set aside a comparable reserve list—only it is safe to assume that these countries will choose items of our trade that will represent far greater economic value to us such as the products of our industry. Further, the tariff of 2½ percent on residual is one of our lowest tariffs and it is an item that we could effectively trade off in the bargaining process with little loss of revenue.

In the light of the overwhelming arguments against the continuation of the import controls program on residual fuel, how can you justify the continuation of a program that is causing serious harm and hardship to the over 50 million consumers of energy in the Atlantic Coast States?

In our State alone two of the largest public utilities in the country, Consolidated Edison and Long Island Lighting, are being forced to convert from the consumption of residual fuel oil to coal as a result of this program. These conversions will cost many millions of dollars in added capital expenditures, countless millions in the years ahead due to added fuel costs, grave and expensive problems of storage facilities for coal and serious increase in air pollution. These latter are just two examples of what this program is and will force the consumer to do in the years ahead—by 1965 east coast demand for energy will nearly double present levels. At a time when our Nation is fighting for foreign markets while at the same time maintaining a high standard of living based on good wage levels, you are forcing the east coast industrial machine to use a high cost and inconvenient form of energy thereby directly and adversely affecting our competitive position in world trade.

Don't misunderstand us, we are not advocating the disregard of the interests and welfare of the coal miner. His problems, in our view and in the view of the Office of Emergency Planning, are due to reasons other than residual fuel oil, e.g., automation and conversion to diesel fuel from coal by the railroads and household heating fuel from coal by the household consumer. We urge that every assistance be given the coal industry to expand exports since U.S. coal can now compete with any foreign produced coal in any corner of the free world. We do not condone the sacrificing of the rights and interests of the over 50 million east coast State consumers for false issue. We deeply sympathize with the 170,000 coal miners of this country but firmly believe that "depressed area" programs and increased coal exports can solve their problems.

On behalf of all consumers of energy on the east coast, we once again ask you to frankly answer the following question: In view of the facts that exist in the marketplace as well as the findings of the memorandum to the President dated February 13, 1963, why have you not removed all restrictions on the importation of residual fuel oil?

If for reasons unknown to us you insist on continuing controls, why have yon not revised the governing regulations so as to eliminate the present effects of the program toward creating a monopolistic situation in this industry aind return to a market economy wherein the consumer has freedom of choice not only of form of energy source but also of supplier?

Sincerely,

JACOB K. JAVITS,
U.S. Senator.
KENNETH B. KEATING,
U.S. Senator.

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

Mr. JAVITS. I yield.

Mr. SALTONSTALL. From the point of view of New England, what the two Senators from the State of New York have said and the position they are taking are, of course, equally true of the Senators from New England on both sides of the aisle who have protested this action a number of times. I hope that the letter from the two Senators from New York will have some effect, although I am not too hopeful.

Mr. JAVITS. We must continue to fight—and we shall. This matter is extremely important. I am grateful to the Senator for his support.

Mr. SALTONSTALL. I am also in complete sympathy with what the Senator has said concerning Nasser and the foreign aid program.

Mr. JAVITS. I am honored, and I thank the Senator for his support for which I am grateful.

ENROLLMENT OF H.R. 8667

Mr. PASTORE. Mr. President, I ask unanimous consent that the Chair lay before the Senate House Concurrent Resolution 246, and I ask for its immediate consideration.

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

The LEGISLATIVE CLERK. A concurrent resolution relating to the enrollment of H.R. 8667.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

VISIT TO THE SENATE BY THE PRIME MINISTER AND MINISTER OF EXTERNAL AFFAIRS OF ZANZIBAR

Mr. CHURCH. Mr. President, I take pleasure in announcing to the Senate that we have with us on the floor, this afternoon, two distinguished visitors—the Prime Minister of Zanzibar and the Minister of External Affairs of that country.

Zanzibar is the most recent country in Africa to win independence and to become a member of the United Nations. Zanzibar's day of independence was the 10th day of this month.

Mr. President, the Senate is fortunate in having as visitors, today, Prime Minister Muhammed Shamte and the Minister of External Affairs, Ali Muhsin. Both of them are standing in the rear of the Senate Chamber; and I wish to extend the appreciation of the Senate for this opportunity to greet them. [Applause, Senators rising.]

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES—AMENDMENTS (AMENDMENT NOS. 365, 366, AND 367)

Mr. SPARKMAN. Mr. President, I submit three small business amendments to H.R. 8363, the Revenue Act of 1963. Joining me as cosponsors of these amendments are the Senator from Nevada [Mr. BIBLE], the chairman of the Subcommittee on Texas of the Senate Small Business Committee, and the Senator from Massachusetts [Mr. SALTONSTALL], the ranking minority member of the full committee. In addition, the Senator from Kentucky [Mr. COOPER], who is ranking minority member of the Subcommittee on Taxes, is a cosponsor of two of the three amendments. Our amendments are the result of recommendations made by the Senate Small Business Committee in a report which the committee filed on August 15, 1963—Senate Report No. 397.

The Small Business Committee has often expressed the view that small business firms need a reduction in tax liabilities to enable them to survive in our rapidly changing economy. We were encouraged by the recognition given this fact by the late President Kennedy in his message to the Congress of January 24, 1963, when he stated:

> Small firms which have less ready access to the capital markets, must depend more heavily for capital on internally generated funds and are generally at a financial and competitive disadvantage.

This brief statement by the President, with its recognition of the general plight of small business, and with its special emphasis upon the capital shortage endured by small firms, is an accurate description of the problems faced today by 95 percent of the businessess in America.

Mr. President, several of the provisions of H.R. 8363 were carefully reviewed at hearings held by the Subcommittee on Taxes of the Small Business Committee in April of this year. At that time, of course, we were dealing only with the recommendations contained in the President's message of January 24. Our purpose was to determine the impact of these recommendations upon small businesses. The findings and conclusions of the subcommittee were published in the report of the full Small Business Committee.

Back in November of last year, at the time the administration was putting together its tax program for this year, the Senator from Nevada [Mr. BIBLE], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kentucky [Mr. COOPER], joined with me in recommending to the President for

inclusion in the tax program a reversal of the corporate normal and surtax rates and an increase in the surtax exemption from $25,000 to $50,000. I am happy to say that the proposal to reverse the corporate rates was included in the administration's program and, as you know, is a part of H.R. 8363. This measure will provide meaningful relief for small corporate businesses and is strongly endorsed by the Small Business Committee.

With regard to increasing the amount of the surtax exemption, it is a well-known fact that many truly small businesses have annual incomes of more than $25,000. This is especially true of small manufacturing corporations. Such a firm, having income, for example, of $50,000 or $100,000 per year, suffers from the same lack of access to outside capital and the same inability to retain capital from earnings as does a company earning $25,000. The relative impact of these problems may be greater upon those firms toward the bottom of the small business size scale, but they remain very real and very burdensome for all small businesses. One of the amendments, which I offer, would increase the amount of the surtax exemption for small corporations, from $25,000 to $50,000. This would simply mean that the first $50,000 of a corporation's taxable income would be subject to a tax rate of 22 percent, and everything over that amount would be taxed at 48 percent, when H.R. 8363 becomes fully effective.

The Small Business Committee devoted much study and consideration to the administration's proposal to eliminate multiple surtax exemptions. The surtax exemption was provided by the Congress out of recognition of the fact that the financial burden of the surtax does not fall with equal weight upon both large and small businesses. The exemption was designed for the purpose of equalizing this burden. What was intended as a relief measure for small businesses, however, has become, in practice, a tax benefit for large businesses. This result has been accomplished through multicorporate organization of large concerns. In his testimony before the Finance Committee, Secretary Dillon presented a number of examples illustrating the tax benefits derived from multiple incorporation by essentially large enterprises consisting of a number of separately incorporated outlets.

These examples provide strong support for the Small Business Committee's conclusion that the present availability of multiple exemptions has added to the competitive advantage which large businesses have over their smaller competitors. This additional advantage is one which small business can ill afford. In trying to meet the situation, many small firms have utilized multicorporate organization—to a much lesser degree, of course, than large firms. The evidence presented to our committee revealed that approximately 20 percent of the corporations falling within the Small Business Administration's definition of "small business" are organized into two or more corporations, and approximately 10 percent of these claim multiple exemptions. The evidence further established that few small firms have more than five affiliates. Our committee recognized that the full benefit of the surtax exemption would be denied to these small firms if the administration's proposal to eliminate multiple exemptions entirely were enacted. These small firms have utilized multicorporate organization because the nature of their business required that they do so. This is in accordance with the law, which denies multiple exemptions if there are not sound business reasons for the existence of separate corporate entities within the business structure. They must compete with large businesses, which, for the same or similar sound business reasons, have utilized multicorporate organization. As between two such multicorporate business organizations—one small and one large—the tax burden is not equalized by limiting both to a single surtax exemption. The larger firm retains the advantages of financial strength and access to external sources of capital. It was for these reasons that our committee recommended that surtax exemptions be limited to a number which would more realistically reflect the pattern of organization within the small business community. The number of available exemptions should be sufficiently large to permit full utilization by small business, and yet, sufficiently small to avoid as nearly as possible any unfair advantage for large firms. My amendment would set the number at five.

The provisions of H.R. 8363 which treat the subject of multiple surtax exemptions were not, of course, available to the Small Business Committee at the time of its consideration of this matter. However, according to the report of the Committee on Ways and Means of the House of Representatives, it is the purpose of H.R. 8363, as it relates to multiple surtax exemptions for groups of controlled corporations, to leave such groups in approximately the same relative position they are in under present law. In my opinion, and for the reasons stated in the report of the Small Business Committee, this falls far short of what is needed in this area of our tax laws. As the Senator from Louisiana [Mr. LONG] pointed out in his speech to the Senate on October 16, the availability of multiple surtax exemptions has been the subject of severe criticism by students of our tax system. If my amendment is adopted, meaningful reform will be accomplished and small business will be restored to its rightful place as the beneficiary of the surtax exemption. With regard to the revenue effect of this reform, I do not have any exact figures. However, I daresay that the additional revenue to be derived from placing a small business limitation upon the number of available surtax exemptions might well be sufficient to justify a significant increase in the amount of the surtax exemption.

It was a matter of major concern to my committee that our high rates of income and estate taxation are providing positive inducements to the sale or merger of small business firms. The relief provided by section 303 of the Internal Revenue Code allowing redemption of stock in closely held corporations without ordinary income tax consequences, and by sections 6161 and 6166, which provide for extensions of time for payment of estate taxes under certain circumstances, have been helpful in many instances, of course, but these relief measures have not been effective in counteracting the inducements to sell or merge.

A recent study by Dr. Chelcie C. Bosland, professor of political economy at Brown University, which, incidentally, was made possible by a research grant from the Small Business Administration under Public Law 699 of the 85th Congress, indicates clearly that our tax laws provide strong inducements for small firms to sell out or merge. This is found to be true for two reasons. First, it is extremely difficult for a small firm to maintain a sufficiently liquid position to meet the obligations imposed by the estate tax. This liquidity problem is aggravated by, and in many instances directly caused by, our high rates of income taxation. The second factor—and one explored more fully by Dr. Bosland—is the fact that a great deal of uncertainty faces the owner of a small business as to just what value the Internal Revenue Service will place upon his business interest. Dr. Bosland confirmed that this uncertainty, itself, induces sales and mergers.

In view of these inducements to sales and mergers, one of my amendments adopts the President's original proposal to liberalize section 6161 of the code. Section 6161 provides for payment of estate taxes in installments for up to 10 years in cases of undue hardships, and this has served to alleviate to some extent the liquidity problem which I mentioned earlier. It has enabled many small firms to preserve their independence following the death of a principal owner rather than sell out or merge with another firm.

The administration recognized, however, that there was a need to liberalize this section of the code, and it was proposed that section 6161 of the code be amended to provide that circumstances involving a sale of a family business to outsiders, or a forced sale on a depressed market, be considered to be an undue hardship, and thereby regarded as sufficient reason for granting an extension of time for the payment of the estate tax. I realize that this proposal was made as a part of the recommendation to impose a tax on accrued gain on inherited capital assets. However, the administration specifically recommended that section 6161 be liberalized in its application to the existing estate tax, and I should not think the Treasury would object to the enactment of this amendment. It will be helpful to small family-owned businesses and I hope that the Senate will see fit to add my amendment to H.R. 8363.

Mr. President, H.R. 8363 has many provisions which will be extremely helpful to small businesses. The reversal of corporate normal and surtax rates, the income averaging provision, and the lower individual rates will certainly ben-

efit small firms. With the three amendments that I have offered, this bill will enable small businesses to retain a larger share of their earnings and thereby finance their growth and expansion. It will enable them to preserve their independence. These are matters of vital importance not only to the well-being of small business, but to the well-being of our entire economic system.

Mr. SALTONSTALL. Mr. President, I join in the amendment which I believe is advantageous to small business.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of 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.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. May I ask, at 20 minutes past 3, what is the pending business?

The PRESIDING OFFICER. The pending business before the Senate is H.R. 9499, making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. PASTORE. I thank the Chair.

Mr. President, the foreign aid and related agencies appropriation bill, which is now before the Senate, recommends appropriations in the amount of $3,604,364,000.

Title I of this bill is the mutual security program, and the committee has recommended an appropriation of $3,508,500,000. This is an increase of $497,800,000 over the House bill.

The largest single increase recommended by the committee is $200 million for development loans. The authorization bill, which was agreed to last week in the Senate, authorized an appropriation of $925 million for development loans. The House bill allowed $600 million and the Senate committee has increased this by $200 million to a figure of $800 million. It will be observed that the committee figure is still $125 million less than was agreed to in the authorization bill last week.

For the Latin American programs, the committee has recommended a restoration of $175 million. The authorization bill for these programs was in the amount of $705 million, and the House reduced these sums to $530 million. The committee recommendation increases the Latin American programs back to the full amount of the authorization of $705 million.

For the first time in recent years, the House effected a cut of $36,100,000 in the appropriation for international organizations and programs. The committee has restored $30,900,000 of this reduction, which is the full amount of restoration requested by the Department of State.

The committee, insofar as title I is concerned, has concurred in the House action of reappropriating $209 million in unobligated balances. The committee report is available, on the desk of each Member, and I believe the tables in this report will give the complete breakdown which is needed.

I ask unanimous consent that page 2 of the committee report, which is a summary table for each title, be included in the RECORD at this point.

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

Summary of bill

Title	Item	Authorization	Bill as it passed House	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—	
					Authorization	Bill as it passed House
I	Foreign aid (mutual security)	$3,602,075,000	[1] $2,801,700,000	[1] $3,299,503,000	−$302,572,000	+$497,803,000
II	Foreign aid (other)	327,079,000	295,580,000	288,397,137	−38,681,863	−7,182,863
III	Export-Import Bank (limitation on Treasury borrowing authority)	1,317,866,000	1,317,866,000	1,317,866,000		
IV	Legislative branch	3,014,235	2,838,275	3,332,435	+318,200	+494,160
V	Independent offices	150,000		150,000		+150,000
VI	Claims and judgments:					
	Federal	12,982,095	12,982,095	12,982,095		
	District of Columbia	(22,238)	(22,238)	(22,238)		
	Total	5,263,166,330	4,430,966,370	4,922,230,667	−340,935,663	+491,264,297

[1] And in addition reappropriation of $209,000,000 in unobligated balances.

Mr. PASTORE. I also ask unanimous consent that a table showing the comparison between the House and Senate figures on title I may be printed in the RECORD at this point.

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

COMMITTEE ON APPROPRIATIONS, U.S. SENATE

Title I of foreign aid and related agencies appropriation bill, fiscal year 1964, H.R. 9499

[In millions of dollars]

	House bill			Senate committee bill			Senate bill over/under House bill		
	New funds	Reappropriation of unobligated balances	Total	New funds	Unobligated balances	Total	New funds	Unobligated balances	Total
Economic assistance:									
Development grants	150.0	47.4	197.4	175.0	47.4	222.4	+25.0		+25.0
American schools and hospitals abroad	14.3		14.3	14.3		14.3			
American schools and hospitals abroad (special foreign currency program)	4.7		4.7	4.7		4.7			
International organizations and programs	100.0	.4	100.4	130.9	.4	131.3	+30.9		+30.9
Supporting assistance	300.0	6.0	306.0	380.0	6.0	386.0	+80.0		+80.0
Contingency fund	50.0	127.1	177.1	32.9	127.1	160.0	−17.1		−17.1
Inter-American social and economic cooperation program	100.0		100.0	180.0		180.0	+80.0		+80.0
Alliance for Progress:									
Development loans	350.0		350.0	425.0		425.0	+75.0		+75.0
Development grants	80.0	2.7	82.7	100.0	2.7	102.7	+20.0		+20.0
Development loans	600.0		600.0	800.0		800.0	+200.0		+200.0
Administrative expenses (AID)	50.0	2.0	52.0	54.0	2.0	56.0	+4.0		+4.0
Administrative expenses (State)	2.7		2.7	2.7		2.7			
Surveys of investment opportunities		1.1	1.1		1.1	1.1			
Subtotal, economic assistance	1,801.7	186.7	1,988.4	2,299.5	186.7	2,486.5	+497.8		+497.8
Military assistance	1,000.0	22.3	1,022.3	1,000.0	22.3	1,022.3			
Limitation on administration expenses (military assistance)	(24.0)		(24.0)	(24.0)		(24.0)			
Total, title I, foreign aid	2,801.7	209.0	3,010.7	3,299.5	209.0	3,508.5	+497.8		+497.8

Mr. PASTORE. Mr. President, under title III of the bill, a language provision was included on the floor of the other body prohibiting the Export-Import Bank from guaranteeing the payment of any obligation hereafter incurred by any Communist country in the extension of credit in connection with the purchase of any product by such country. The committee has stricken this provision from the bill.

For the Senate, the committee recommends an additional appropriation of $60,600 and has included language in the bill increasing the stationery allowance for each Senator from $1,800 to $2,400 per annum. The committee likewise increased the airmail and special delivery stamp allowance for Senators from $550 per year to $610 per year. It has also increased the number of long-distance telephone calls allowed to each Senator from 120 to 160 per month. These recommendations conform with recommendations already contained in the bill for Members of the House of Representatives.

In my written statement I have not, up to this time, mentioned the President's contingency fund. I point out that in the contingency fund the appropriation, in toto, is to be $160 million.

We deducted $17.1 million from the amount authorized by the House, a sum of $177.1 million. In new money we would appropriate $32.9 million, and there would be a new appropriation of unobligated balances of $127 million, making the grand total of $160 million.

I ask unanimous consent that the committee amendments be agreed to en bloc, except for the amendment on page 17 relating to the Export-Import Bank, which is the so-called wheat amendment, and that the bill, as thus amended, be regarded as original text for the purpose of amendment; provided, that no point of order shall be considered to have been waived by reason thereof.

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

Mr. GRUENING. Mr. President, a careful study—a study in depth—which I made last year and early this year in 10 Middle Eastern countries for the Committee on Government Operations, has convinced me that the alarm about the reduction made by the House of Representatives in the overall appropriation figure, as voiced, for instance, by the Washington Post and Times-Herald in an editorial this morning, is wholly unjustified and unfounded.

In discussing H.R. 9499, the foreign aid appropriation bill for 1964, it should be noted in the first place that there is more than $6½ billion in the pipeline.

This means that a large amount is still unspent and available. If not a single cent were appropriated by the Congress this year, the foreign assistance program desired by its administrators could continue for a full year, with at least $2 billion left over.

Furthermore, the critics of the reduction in foreign assistance made in the Senate in the foreign aid authorization bill, thanks to the vigilance of the senior Senator from Oregon, and now by the House in the appropriation bill, take no account of what would be shown by a realistic country-by-country analysis as to which nations, for one valid reason or another, should no longer receive our aid.

If we total the amounts intended by the AID administration for those countries, and subtract that amount from the total appropriation figure which they seek, it will be found that $2.8 billion, the amount voted by the House of Representatives, will be more than ample.

The list would include the countries of Western Europe and Japan, long since made prosperous by our aid, and, indeed, not even facing the grave and mounting unemployment problem which confronts us at home in the United States.

Then there is the little island of Taiwan, better known as Formosa, into which we have poured to date, under our foreign assistance program, $4.5 billion in economic and military aid. By this time it should be able to get along without a continuation of the sums so lavishly provided year after year for the greatest variety of enterprises of which the mind of man can conceive.

In Taiwan there are not only powerplants, but also jute plants, paper plants, ceramic plants, and chemical plants; and there has been a rehabilitation of their fisheries. Everything of which the mind of man can conceive has been done for Formosa. Is it not about time this island was on its own?

So far as the defense of the island is concerned—which is, of course, an important part of our global strategy—not only has that been provided for lavishly in the form of all kinds of equipment and training for Chiang Kai-shek's army; but the defense of the island, if that should become necessary, would be provided by the 7th Fleet.

That is one additional economy that could be made. One figure should be eliminated from the conjectures as to what is needed under the foreign aid program for next year.

There are other countries—such as Israel, Lebanon, and Greece—which have been brought to a point of reasonable self-sufficiency. Foreign aid administrators always wish to go beyond self-sufficiency, for long after a country has received what it needs and is on its own, they wish to provide aid.

I congratulate the people in certain countries for a very intelligent and honest application of aid. It has been well administered in Israel, Greece, and Lebanon, and has done its work, but the time has come for those countries to be cut off, because they are on their own.

Then there are the aggressor nations, the United Arab Republic and Indonesia, to which, under the provision adopted by the Senate and the House, and now in the bill, aid should be denied immediately. I notice that that is not in prospect, unless there is a change of heart and a change of mind on the part of the administration and on the part of those who so generously "dish out" our foreign aid.

The former of these two nations, the United Arab Republic, should be denied aid until it at least withdraws its 28,000-man army from the Yemen, where Nasser has kept it now for 16 months at a cost of approximately $200 million to date, and ceases the export of violent revolution to neighboring countries, recipients of our foreign aid, which are being forced into an arms race to the detriment of their economy and of the purposes of our aid program.

Nasser is likewise building up a formidable arsenal of weapons, tanks, missiles, supersonic jet fighters, and submarines, obviously intended for aggression against Israel, whose destruction he has never ceased to demand and promise as his goal. To date, we have given Nasser almost a billion dollars and we have repeatedly saved him from destruction and have rehabilitated him. As a result, we now have a totalitarian dictator in the Middle East who is one of the greatest threats not merely to peace in that region, but to world peace, because he has never ceased to make preparations for aggressive war. It is time we exercised the power and authority now given in the foreign aid authorization bill and cut out these annual appropriations of hundreds of millions of dollars to him.

Likewise, Sukarno in Indonesia, to whom we have given to date nearly $1 billion, is promising to destroy the new, democratically oriented nation of Malaysia, and is making use of the arms the United States has given him.

I was shocked to see, after the long debate in the Senate, when there was no dissent as to the aggressiveness and the past history of this dictator, who, to our regret, by using the threat of force of arms, compelled us—which we did not have to do—to turn over this primitive principality of West New Guinea to his control, when it should have been made a mandate of the United Nations for a decade, until the people could decide what their political status should be. He was able to do this by the threat of force and use of aid which we had given him. We abdicated inexcusably.

The example of Cambodia should be a lesson to us with respect to other nations in the Far East. How much longer shall we continue to pour hundreds of millions of dollars into these nations, where the money is not only likely to be wasted, but, far worse, where it is used for training and for arms which may be turned against us by the Red Chinese, for example, which is happening in Cambodia?

We see no change of heart or policy in that part of the world.

Then there is the case of Libya, which had a very high percentage of illiteracy, about 90 percent, but which is now an oil rich country, and should be happy to pay for such technical aid as we have in the past been giving it. We want to help Libya, but the Libyan dynasty should be willing to help itself.

There are new nations in Africa, in whose behalf we have a right to expect major support from their recent colonial masters, and whose economies are much more integrated with their former mother countries than with ours.

In Latin America are the countries of Brazil and Argentina. Brazil has been

the recipient of nearly $2 billion in aid of one kind or another, for which there is nothing to show. It has repeatedly promised fiscal reform to stop its galloping inflation, but has never lived up to its repeated promises. It was on the basis of these promises, never fulfilled, that the United States had given that rich country repeated budegt support, only to see our dollars go down the drain.

Until Argentina has demonstrated its stability and its willingness not to expropriate U.S. property without prompt and adequate compensation, it should not be the further recipient of our foreign aid.

Moreover, we shall not know for some time to come what stability there is in the Argentine. The present incumbent in the Presidency owes his presence there to the assent of the military. We should wait and see how permanent his regime may be and how secure we may be in the promises of reforms and adherence to the principles laid down at Punta del Este.

I have not by any means exhausted the list of countries which should be carefully scrutinized before we rush in with our aid, as we have done in the past.

We need to stop military aid to the new nations of Africa. That is the way to chaos. That is no place for us to start what could be an arms race. We already have evidence of that policy in Somalia, where there has been an invasion from Abyssinia with arms furnished that country by the United States. If we continue with this program, there will be similar wars all over Africa, and the very aims of the AID program will be defeated.

Moreover, there are pressing domestic needs—the needs of our own home folks, the American people—that cry for attention. They should be our paramount consideration. They need attention because a steadily increasing number of them are unemployed. That figure has now risen to 5.9 percent of our population. Those are not mere statistics—those are living people, who, in this land of power and plenty, in this so-called affluent society of ours, are, through no fault of their own, in dire poverty; their tiny resources, if, indeed, they ever had any, have long since been exhausted; their unemployment insurance vanished long ago.

In this morning's New York Times is a thoughtful column by the distinguished Washington bureau chief, James Reston, on the need of attention to the home front. I quote this pertinent sentence from the column:

> The foreign front was President Kennedy's major problem, but the home front is likely to be Johnson's, and the need for some effective way to convert from the cold war to the slum war is likely to be more urgent with every passing month.

I ask unanimous consent that Mr. Reston's column be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. Mr. President, yesterday President Johnson delivered a magnificent address before the United Nations in New York. It was a historic address, and it was enthusiastically received, as it deserved to be.

In the course of his speech President Johnson referred to the regime of Franklin Delano Roosevelt, in which President Johnson received much of his early inspiration and guidance, and to which also as a young legislator he contributed his support. President Johnson in his speech of yesterday recalled President Roosevelt's plea in behalf of "the one third of the Nation ill housed, ill clad, and ill nourished."

President Johnson pointed out that, as a result of President Roosevelt's peaceful, revolutionary policies, that portion of our indigent population has been greatly reduced. Its reduction was continued under the wise policies of President Roosevelt's successor, President Harry Truman. But, unfortunately, while it is no longer one-third of the Nation, it is today at least one-tenth of our Nation; and unless we address ourselves to this serious fact, that fraction of one-tenth will increase.

But that one-tenth—representing close to 20 million Americans—should be our first and prior concern. While President Johnson has pledged continued U.S. aid in meeting international commitments, to the extent that our resources permit, the needs of the victims of hunger, disease, and ignorance in foreign lands, for which he urged the support of other nations, our own home task for these 20 million Americans is ours, and ours alone. We cannot, and do not, expect aid from foreign nations. This is our responsibility. I feel that it is highly pertinent to call attention to it and to stress it at this time when we are being asked to restore $500 million to the foreign aid program.

At the time we are being asked to do this, our principal domestic program to diminish unemployment is stymied for lack of funds. I refer to the accelerated public works program, for which a mere paltry $900 million was appropriated 2 years ago, and which funds for some months past have been completely exhausted. That was an admirable program, sponsoring throughout the Nation worthwhile public construction projects, projects worthwhile in themselves, which put unemployed people to work not only in their own communities, but in the communities where the factories supplying the materials are located, and aiding the unemployment problem among the transportation industries which conveyed those materials from factory to project.

But that $900 million, one-fifth of the amount dedicated that year to the foreign aid program, was totally inadequate, as its rapid expenditure has demonstrated. But there was not in the case of our great domestic need the unvarying continuity of the foreign aid program, which continues without interruption. In every State of the Union today hundreds of worthwhile projects are ready to go. They have been processed and approved. But not only is there no money to carry them out and to help relieve our unemployment, but the prospect of securing sorely needed funds is not imminent.

Last week I sat as a member of the ad hoc committee appointed by the distinguished chairman of the Public Works Committee, the Senator from Michigan [Mr. McNAMARA] and presided over by the ranking Democratic member of that committee, the Senator from West Virginia [Mr. RANDOLPH], who has done so much to call attention to the tragic unemployment in his home State and to the pathetic plight of these coal miners who have been trained in one activity.

The plight of similarly unemployed in virtually every State of the Union, including Alaska, where there is a higher rate of unemployment than the national average, calls for the kind of executive and legislative support that both branches of our Federal Government have consistently given, for more than a decade and a half, to the tune of over $100 billion to the less fortunate in what has now become the staggering figure of 107 foreign countries. Why have we not done as much for our own?

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

Mr. GRUENING. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. Assuming that the foreign aid program is necessary for the welfare of this Nation and the peace of the world, as four Presidents have already stated, why is the Senator making the argument that we must make a choice between a foreign aid program and a domestic program? Why can we not have both a domestic and a foreign program, if both are necessary? Why are the great shortcomings of our domestic program thrown at us as argument against a foreign aid program, if both are necessary? If the foreign aid program is not necessary, we should eliminate it. On the other hand, if it is necessary for the peace of the world, I do not see why we are obliged to make a choice between a domestic program and a foreign program, if both are necessary.

Mr. GRUENING. I shall be very happy to answer my friend from Rhode Island. He asks, Why can we not have both? The brutal fact is that we do not have both. We do not have a domestic aid program, but we do have a foreign program, which is thrown at us and which, we are told, is essential for the peace of the world. I do not share the view that such a program is essential to the peace of the world if it means throwing away millions of dollars to dictators like Sukarno or Nasser; and that does not help the peace of the world but, instead, helps to destroy the peace of the world. That is the kind of program to which I am opposed.

Mr. PASTORE. That is the Senator's position. I am sure the Senator will admit that that is not the position of four Presidents. It was not the position of President Truman. It was not the position of President Eisenhower. It was not the position of President Kennedy. It is not the position of President Johnson. I realize that sometimes we take upon ourselves in our individual capacities—and I am not finding fault

with it—in the Senate the decision as to the foreign policy of the United States, even though at times we admit that it is the prerogative of the Chief Executive, as prescribed in the Constitution. I am sure President Johnson is conscious of the money we are using. I believe he is conscious of the money we are spending. I believe he is conscious of the expense of these programs. The question is, Do we need the program at all? That is the first question. The second question is, If we need it, how large should the program be?

Mr. GRUENING. That, I would say to my good friend from Rhode Island, is precisely where it becomes the duty and the constitutional mandate of Congress to exercise vigilance and control over the expenditure of money. It has been traditionally true that foreign affairs are left wholly to the Executive. However, in the past 15 years, we have injected an entirely new and unprecedented element into the conduct of foreign affairs. That new element is the use of vast sums of money as an instrument of foreign policy. That did not exist before the advent of the Marshall plan or the Truman Doctrine. Up to that time the function of Congress was limited to appropriating funds for the State Department and for the Foreign Service and the Consular Service. The Senate limited itself to advising and consenting to treaties and the confirmation of nominations of diplomats and ambassadors and other State Department officials.

Up to that time there was not the factor of the massive injection of, first, hundreds of millions of dollars, and then billions of dollars annually into our foreign relations program.

Therefore, since that time it has become the duty of the Senate, which it has not fulfilled, but is now, I hope, beginning to fulfill, its function to exercise the power of saying how that money will be spent, and to have some voice in deciding how the money shall be spent, and the extent to which it shall be spent.

Mr. PASTORE. The Senator has paid tribute to the splendid address delivered by President Johnson before the United Nations. I agree with him. I commend to his reading the part of the address which deals with the new era ahead. If anyone can read that paragraph without realizing that what the President of the United States is talking about is international relationships, which my friend from Alaska is more or less playing down, and the obligation of the rich nations, wherever feasible and reasonable and equitable, to come to the assistance of the depressed and underdeveloped nations, all I can do is to commend a reading of that paragraph to him. At some point during the proceedings, if no one else will do it, I shall repeat it myself.

Mr. GRUENING. I have read it carefully, and I have quoted from it. Perhaps the Senator did not notice my doing it. I approve it highly. I praised that speech as a magnificent speech. It is a historic utterance. I am all in favor of it.

However, I call attention to the fact that, while we are helping the unemployed and the hungry and the underhoused all over the world, we are neglecting the same type of people at home.

While President Johnson addressed his appeal to the other nations of the world to do their share to help the miserable people in 107 foreign countries, no one will come to our rescue or take care of our unemployed. That is the point I am making.

Mr. PASTORE. Is the Senator taking the position that for 3 years President Kennedy neglected the hungry and unemployed of this country?

Mr. GRUENING I wish the Senator would not put words in my mouth. I never mentioned President Kennedy.

Mr. PASTORE. That is exactly what the Senator has said. He said we have neglected them. Who has neglected them?

Mr. GRUENING. Congress.

Mr. PASTORE. How about the President of the United States?

Mr. GRUENING. Congress has appropriated a measly $900 million for our domestic aid program.

Mr. PASTORE. Then I suggest to my friend from Alaska that rather than voting to cut down foreign aid, he ought to vote to increase some of the domestic programs.

Mr. GRUENING. If the Senator will allow me to proceed, I should like to tell him that last March I introduced a bill to raise the amount of domestic aid under the accelerated public works program to the equivalent of what would be appropriated for foreign aid. Not long thereafter the distinguished Senator from Michigan, the chairman of the Public Works Committee [Mr. McNAMARA] introduced a bill to provide $2.4 billion for that purpose. That is a very desirable piece of legislation.

My remarks were addressed to the point that we do not act on that legislation. The Senator from Michigan has moved forward as rapidly as possible. He has appointed an ad hoc committee, which met all last week. We listened to the testimony of Governors and mayors and State and county officials as to the tremendous number of projects that were waiting and ready to go ahead. My point is that there is not anything like the kind of support or emphasis or enthusiasm for a domestic program that there is for the foreign aid program.

Mr. PASTORE. Would not the Senator say that the very individuals who are allied with him in cutting down the foreign aid program have been voting against increasing any domestic programs?

Mr. GRUENING. No; I would not say that.

Mr. PASTORE. If he will look at the record, he will find that to be true. The budget cutters in the Senate are the same ones who cut almost anything that comes before it.

Mr. GRUENING. I would also say to the Senator from Rhode Island——

Mr. PASTORE. All one has to say is, "We do not need it," and without further ado it is possible to obtain a vote to cut it.

Mr. GRUENING. I am in favor of foreign aid, but I am not in favor of some of the waste and extravagances and follies that have been committed under it. If the Senator followed the various amendments which I proposed when the authorization bill was before the Senate, he would have noticed that I seldom stressed the question of the total amount of money, but tried to reform some of the abuses. A few of those amendments have remained in the bill. The conferees could not take all of them out, although they tried.

We substantially improved the bill. If the bill can be improved along those lines, I shall continue to support the program enthusiastically, as I did in the authorization bill when it finally came to a vote.

Mr. PASTORE. Mr. President, will the Senator from Alaska yield for a further observation?

Mr. GRUENING. I yield with pleasure. The Senator's interruptions are helpful. They help me to bring out my points in greater detail than I would otherwise be able to do.

Mr. PASTORE. I do not for one moment think that because it has become my responsibility to manage the bill on the floor of the Senate, it is perfect. I believe in the foreign aid program.

Mr. GRUENING. So do I.

Mr. PASTORE. I believe there have been some abuses in it. There have been abuses in almost every program initiated by Congress, especially those in which large sums of money are involved. I readily admit that there have been frustrations. I admit that there have been failures. I admit that there has been disappointment over Cambodia. I admit that there have been disappointments in many other parts of the world.

But predicated upon the testimony before the committee, not only from the State Department, but also from the Joint Chiefs of Staff and correspondence we have had with the President—and I have a letter from President Johnson that I shall read into the RECORD—we have taken into account everything that was said on the floor of the Senate after the 3 weeks during which the authorization bill was before the Senate. The members of the committee were properly conscious of the attitude of the Members of the Senate and their desire to cut the bill down to the bone. We were conscious of our common desire to do away with the fat and preserve the muscle. That is the reason why the committee weighed and analyzed the testimony of all the witnesses who appeared before it. We scrutinized every single item in the bill, and came forth with the final figure.

The Senator from Alaska knows that this will not be the final figure after the conference.

I say further to the distinguished Senator from Alaska that we also paid heed to the admonition that was given by the President several days ago, when he said that if the amount were cut further, it would weaken his position.

After all, the committee has the responsibility of sitting hour in and hour out to listen to witnesses. We cannot come to the floor of the Senate and in-

dulge in cliches or in phrases that sound good. Our responsibility is beyond that.

Everything the Senator from Alaska has said has been very much on the minds of Senators who worked on the bill. It is no particular glory to me to come forward and handle this particular bill on the floor of the Senate. I have done my task. I have assumed my responsibility to my State and to my country in the best way I could. I do not believe that the committee tolerated any waste in the budget.

While I have the highest respect for the opinion of the Senator from Alaska with regard to certain items, I also want him to understand that we who have had the responsibility to prepare the legislation have tried in good conscience to do the best for our country.

Mr. GRUENING. I have no doubt of that. I know that everything the distinguished senior Senator from Rhode Island does is motivated not only by conscience, but also by his very conscientious desire to do the most effective job possible, both for his State and for the Nation.

We differ in certain details. I believe our underlying purposes are the same. Nevertheless, I am confident that if we placed a little more emphasis on our neglected domestic needs, which contrast so glaringly with the great emphasis that is being given to the foreign aid program, we would be in a better position to handle both the domestic problem and the foreign aid situation.

I wish to continue my discussion of the present plight of our domestic unemployed.

The distinguished senior Senator from West Virginia [Mr. RANDOLPH], the ranking Democratic member of the Committee on Public Works, has called attention to the tragic problem of unemployment in his State. He was chairman of the ad hoc committee appointed by the distinguished Senator from Michigan [Mr. MCNAMARA], chairman of the Committee on Public Works.

Repeatedly, on the floor of the Senate and elsewhere, the Senator from West Virginia has called attention to the plight of his constituents, chiefly family men, men having wives and children who depend on them, and who find themselves automated out of employment.

The plight of these men and their families, the plight of similarly unemployed persons in virtually every State of the Union, including Alaska, where there is a higher rate of unemployment than the national average, calls for the kind of executive and legislative support that the legislative and executive branches of the Federal Government have consistently given for more than a decade and a half to the tune of over $100 billion to the less fortunate, in what has now become the staggering figure of 107 foreign countries. I ask again, Why have we not done as much for our own? This is our major problem, our No. 1 priority, our first and foremost objective and responsibility.

I find no enthusiasm for voting an additional $500 million for foreign aid when I know, first, that the figure established by the other body is more than adequate; and second, when I confront the tragic double standard, of which I have spoken before, under which we give first and foremost consideration to the needy of foreign lands and neglect our own.

Two very significant articles have been published recently, calling attention to the tragic plight of our destitute Americans. One, entitled "One Out of Ten Americans Lives in 'Abject Poverty,' Study Reveals," was written by Eve Edstrom and published recently in the Washington Post. Its opening paragraph states the stark fact that "20 million Americans exist in such 'abject poverty' that they must do without bare necessities."

Let me repeat that. The stark fact is that "20 million Americans exist in such 'abject poverty' that they must do without bare necessities."

These are the plain facts which both indict and challenge us to move effectively in the domestic fields; to move with the same concern, the same unremitting and continuous concern, with which we press all authorizations and appropriations for the disadvantaged in foreign lands.

Mr. MANSFIELD. Mr. President, will the Senator from Alaska yield briefly, without losing his right to the floor?

Mr. GRUENING. I yield, provided I do not lose the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I wish to propound a unanimous-consent request to the effect that at the conclusion of the speech now being made by the distinguished Senator from Alaska [Mr. GRUENING] there be a time limitation of one-half hour on each amendment, 15 minutes to a side, the time to be controlled by the Senator from Rhode Island [Mr. PASTORE] and the Senator offering the amendment; 2 hours on the Mundt amendment, 1 hour to be under the control of the distinguished Senator from South Dakota [Mr. MUNDT] and 1 hour to be under the control of the distinguished Senator from Rhode Island [Mr. PASTORE]; and 1 hour on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective immediately, during the further consideration of 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, debate on any amendment (except the committee amendment on page 17 to strike lines 9 through 16, which shall be debated 2 hours, to be equally divided and controlled by the Senator from South Dakota [Mr. MUNDT] and the Senator from Rhode Islnad [Mr. PASTORE], motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment and the Senator from Rhode Island [Mr. PASTORE]: *Provided*, That in the event the Senator from Rhode Island [Mr. PASTORE] is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. GRUENING. Mr. President, do I correctly understand that the unanimous-consent agreement will not take effect until I have concluded my remarks?

Mr. MANSFIELD. It is clear under the unanimous-consent agreement that the time will begin to run after the Senator from Alaska has concluded his remarks.

The PRESIDING OFFICER. That is the understanding.

Mr. GRUENING. Mr. President, mine may be a narrow, old-fashioned, obsolete, even reactionary view. But I feel that the plight of 20 million Americans deserves at least as much attention, concern, and action as we are giving the billions of people in Asia, Africa, South America, Europe, Oceania—indeed, everywhere on the globe—but not at home.

I ask unanimous consent that the article written by Eve Edstrom and published in the Washington Post be printed at this point in my remarks.

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

TWENTY-SIX MILLION OTHERS HAVE BARE ESSENTIALS—1 OUT OF 10 AMERICANS LIVE IN ABJECT POVERTY, STUDY REVEALS

(By Eve Edstrom)

Twenty million Americans—about 1 out of 10—exist in such abject poverty that they must do without bare necessities.

Another 26 million—which adds up to almost one out of four Americans—live at minimum adequacy levels.

These are the conservative estimates upon which the National Policy Committee on Pockets of Poverty focused yesterday at the opening of a 2-day session here.

Its meetings come at a time when the Johnson administration is considering programs to eradicate mass poverty in affluent America.

The committee, which includes such distinguished political economists as Harvard's Seymour Harris, warned that "even with a more affluent America," the number of poor will increase substantially during the next two decades unless remedial steps are taken.

Furthermore, the committee released material drawn from a 2-year study which emphasizes that poverty will not be done away with "by policies aimed at bringing about full employment."

This is because today's impoverished families sit outside of the marketplace; their lot is not the direct result of inadequate economic growth rates because they are not part of the economic structure.

"Their poverty is the result of special circumstances rather than of the rate of economic activity," it was stated.

In setting forth the "special circumstances," the committee put forth a formula for not being poor, as well as for being poor.

To not be poor, it was stated, one must be a white Northern city resident between the ages of 25 and 45 who is married with no more than two children, who has attained

as much education as possible, and who is in good physical and mental health.

The "surest" way to be poor is to be nonwhite, live in a rural area and be a female who is over 65 and is the head of a household.

In the above circumstances, 84 out of every 100 of these nonwhite rural families live at lower than subsistence levels.

Actually, the committee emphasizes that all nonwhites whether they live in the city or on the farm, all families headed by young or old females, all residents of rural areas and the South, and all persons over 65 have high-risk poverty rates.

AGED MAKE SOME PROGRESS

However, in the last decade and because of social security, the aged have made the most progress in moving out of the "abject poverty" state.

Another proverty-prone segment of the population involves the young—male family heads between the ages of 14 and 25—and their numbers are increasing.

"The honor of being called 'family head' bestowed too soon brings with it a greater likelihood of poverty, particularly since 1957," it was said. "For most, low income is no momentary detour but the foreshadowing of a life of poverty.

"Their situation is worsening and • • • the problem of the young in contemporary America typifies the problem of the poor; submerged like an iceberg."

Poverty also attacks those with less than 8 years of education and families which have more than six children under 18.

Such groups now comprise a "new class of Americans—those split off from our affluent society," said James G. Patton, chairman of the 28-member national policy committee.

"They constitute a shocking paradox in American life. When the economy dips their plight worsens but when it rises they benefit little if at all."

This is why programs must be developed to tackle the special problems of the underprivileged, in addition to programs to stimulate the economy, he said.

Poverty can be eradicated by the year 2000, Patton said, but only if the United States embarks on new or expanded educational, housing, public works, medicare, conservation corps, and food stamp programs.

Patton, who also is president of the National Farmers Union, said he and other committee members had consulted with the late President Kennedy on ways to eliminate poverty and will consult with President Johnson after firm recommendations are adopted.

The committee, founded 2 years ago by the Farmers Educational Foundation, includes former President Truman and foremost economists, scientists, sociologists, business and professional leaders from every region of the country.

Much of the committee's data on poverty is based on a study which economist Oscar Ornati directed for the Twentieth Century Fund. It will be published next spring.

LESS THAN $2,500 INCOME

In explaining his economic groupings, Ornati stated that families of four, with income of less than $2,500 annually, were placed in the "abject poverty" group. Families of four, with annual incomes of less than $4,500, were included in "minimum adequacy" group.

Mr. GRUENING. Mr. President, I congratulate the Washington Post on printing the article, and I suggest that in its editorial columns it show as much concern for the 20 million Americans who live in abject poverty, without hope or help, as it does for the hundreds of millions in other lands. I have read the Post's impassioned editorials in their behalf—editorials repeated in strident tones on every occasion; but I have not noted corresponding editorial effervescence for the accelerated public works legislation, which has now languished for over half a year, or for other legislation to lift our 20 million Americans from abject poverty.

I also recall attention to a very moving article which was published in the December 21 issue of the Saturday Evening Post. The article is entitled "The Invisible Americans." It was written by Ben H. Bagdikian, and it includes photographs which make these destitute, disadvantaged Americans visible. I hope their visibility will reach the Federal levels, executive and legislative, where action is needed and is long overdue.

The article, entitled "The Invisible Americans," has the subtitle:

Poverty: A Special Report.

We are the richest nation on earth, yet one American in five is without adequate food or shelter or medicine, and nobody seems to care.

Mr. President, it is high time that we started to care as much for these Americans as we are caring for the similarly disadvantaged in other lands.

In Alaska, there is chronic unemployment among the Eskimos and the Indians. Part of their unemployment is due to Federal action and inaction. Under Federal mismanagement, when Alaska was a Territory and when Alaskans were helpless colonials, their greatest natural resource, the Pacific salmon, and perhaps the Nation's greatest fishery resource, was steadily depleted by Federal mismanagement, over the increasing but unavailing protests of the people of Alaska. This wrecking of this great fishery resource, this flagrant conservation failure, brought destitution, poverty, and even hunger to the inhabitants of the villages along Alaska's farflung coastline—a coastline longer than the combined Atlantic, Gulf, and Pacific coastlines of the 48 older States. It devolves upon our young State of Alaska to undertake the difficult task of rebuilding and rehabilitating an almost vanished resource.

I may say that Alaska has made a most commendable start. Our State's department of fish and game is striving mightily, devotedly, and with much knowledge, to recover from the depletion visited on Alaska's fishery resource by the mismanagement of the Federal Fish and Wildlife Service, which had absolute control of the management of Alaska's fishery resource during the 1940's and 1950's. It was during this period that, despite the unceasing protests of Alaskans, this agency presided over the decline of our salmon fishery from a high of more than 6 million cases, in 1940, when it took charge, to the lowest point in 60 years, in 1959, the last year of Federal control, when the salmon pack had dwindled to approximately 1,500,000 cases. So serious was the economic impact of this conservation fiasco that President Eisenhower felt obliged to declare part of Alaska's fishing communities to be a disaster area.

Although Alaska has improved the situation somewhat, under its wiser management, the economic blight remains. Thousands of our fishermen are among the Americans who live in abject poverty. Thousands of our Indians and Eskimos and Aleut population are among "the invisible Americans" dealt with in the article by Ben Bagdikian, which has been published in the Saturday Evening Post.

Mr. President, I feel that the Indians of Alaska and wherever else in the United States they are without adequate food, shelter, or medicine, are entitled to as much consideration as are the Indians of India. But they are not getting it.

The article by Mr. Bagdikian begins with a paragraph which should challenge the attention and concern of every American. It should particularly challenge the attention and concern of the Congress, which needs to authorize a new and substantial appropriation for our accelerated Public Works Act.

The bill introduced last July by the Senator from Michigan [Mr. MCNAMARA] calls for an authorization of $2,400 million. The bill I introduced last March calls for an appropriation equal to the one we make for foreign aid. If we accept the amount voted yesterday by the House of Representatives, that will be $2.8 billion. If we accept the figure voted by the Senate, the amount will be somewhat larger.

Mr. President, I wish to point out what is needed in order to help these "invisible Americans." The following steps—a long and torturous route—must be followed:

First, our ad hoc committee, which has heard the impressive testimony of State Governors, mayors, State officials, municipal officials, county officials, labor union representatives, and chamber of commerce officials, who have presented unanimously favorable and urgent testimony in regard to the need for action on accelerated public works, must first report one of the two bills now before it to the Public Works Committee. That is the first step.

Second, the Public Works Committee must act to report the bill to the full Senate.

Third, the Senate must act to authorize this appropriation.

Fourth, the House must go through a similar procedure, consisting of not less than three steps.

Fifth, the Public Works Appropriations Subcommittee of the House Appropriations Committee must hold a hearing on the appropriation. If it reports favorably, then comes the sixth step.

Sixth, the full House Appropriations Committee must act.

Seventh, the full House must act on the appropriation.

Eighth, the Senate must go through the same appropriation procedure.

Mr. President, it is clear that we shall be lucky if action to make available these funds for accelerated public works is taken in 3 months' time. In fact, we shall be lucky if it is taken by next June, although the urgency is great and the projects are waiting.

I point out that, on the other hand, we find that no such delay is encountered in connection with the authorization, appropriation, and expenditure of funds under our foreign aid program, for the benefit of the millions of non-Americans in 107 other countries.

Mr. President, I was going to quote the opening paragraph of the article written by Mr. Bagdikian, and published in the Saturday Evening Post, under the subheadline "Poverty: A Special Report"—an article in which he deals with poverty in the United States. This is what he states in his opening paragraph:

> There is a world inside the United States where the American dream is dying. It is a world where, when it rains at night, everyone gets up to move beds away from the leaks. Where there is no electricity—but refrigerators are valued to keep food safe from rats. Where regularly at the end of the month whole families live on things like berries and bread. Where children in winter sleep on floors in burlap bags and their lung X-rays at age 12 look like old men's. Where students drift hungry and apathetic through school and their parents die 10 or 20 or 30 years earlier than their countrymen.

I wish these lines in the opening paragraph could be engraved on the consciousness of every Senator.

Now we come to the second paragraph:

> These are the poor. They are not just the psychological cripples. Nor are they located only in small, isolated pockets. They are everywhere in the country. Every city, every region has them. In a few places there is scarcely anyone else.

The third paragraph goes far beyond Eve Edstrom. She says:

> One out of ten Americans is living in abject poverty.

Bagdikian says in the third paragraph:

> At least 36 million Americans, 1 in every 5, are poor.

If Mr. Bagdikian's figure is correct and it makes no difference whether one-tenth or one-fifth of our people live in misery—whatever their number, whatever their proportion percentagewise to the total—this is an imperative challenge.

I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks.

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

(See exhibit No. 2.)

Mr. GRUENING. Mr. President, knowing that, owing to the inaction of Congress on this matter of caring for our own destitute citizens, I know of only one service I can render temporarily—while continuing to work for action on either the bill of the Senator from Michigan [Mr. MCNAMARA] or my bill to restore funds to the accelerated public works program—and that is to cast my vote—one of very few, no doubt—against the Senate's multimillion-dollar increase in foreign aid. Then, when we have taken care of our own, I shall feel disposed to support a reasonable foreign aid bill.

I voted for the foreign-aid bill when it came to action, and the authorization bill after 3 weeks' debate, because I felt it had been substantially improved by the amendments, some of which I sponsored. Regrettably, many of the amendments were deleted in conference. The conference, taking out amendments which had the overwhelming support of the Senate and the House, and conforming with overwhelming public sentiment, made a cut which in my judgment—as I believe I have demonstrated by the specific fact—is ample to allow the program to continue on a generous basis.

I am in favor of foreign aid. I shall continue to work to improve the program. I shall continue with some of the fervor which others have given to the foreign aid program, I hope, to insist that our first, foremost, and prior obligation is to the destitute, the unemployed, and the people of the United States living in abject poverty and in misery. That is our first, foremost, and prior objective.

Mr. President, I yield the floor.

EXHIBIT 1

[From the New York (N.Y.) Times, Dec. 18, 1963]

WASHINGTON—WE KNOW WHAT WE WANT—BUT ARE WE READY?

(By James Reston)

WASHINGTON, December 17.—President Johnson told the United Nations today that "the United States wants to see the cold war ended, once and for all." But what if it happened, or even began to happen? Would the United States be ready?

There is already trouble ahead for a great many American communities, because the U.S. Government's plans to cut military expenditures are running ahead of the plans to convert to useful civilian occupations.

The recent decision to close some military bases and the ensuing cries of anguish from the communities involved are merely an indication of the problems ahead.

Secretary of Defense McNamara has given a dramatic estimate of the Nation's military superiority over the Communists within the last month. He has said that it should be possible for the United States to maintain this superiority "without overall increases in our defense budget. * * * The defense budget will level off and perhaps decline a little."

THE UNEMPLOYED

Meanwhile, the unemployment figure for November was 4,292,000, or 5.9 percent of the work force—up from 4,177,000 in January of this year—and while 80 percent of the people are enjoying unprecedented prosperity, about 20 percent, or over 30 million, are living on what the Government calls poverty standards.

This confronts President Johnson with two questions: First, whether the coming savings on defense are to be allocated to human needs for jobs, houses, schools, and hospitals in the city and country slums; and second, whether the defense cutbacks are to be cushioned by an effective plan of reconversion.

There are small reconversion committees scattered through the various departments and agencies of the Government: in the Department of Defense, the Disarmament Agency, and the Council of Economic Advisers, to mention only three.

Walter Heller, the Chairman of the Council of Economic Advisers, talked to President Kennedy last summer about pulling these committees together into a Presidential Conversion Commission, but no decision was taken on this before the assassination.

Meanwhile, Senator MCGOVERN has introduced a bill to establish a National Economic Conversion Commission, and Negro leaders have talked to President Johnson about using the defense cutbacks as a means of dealing with the plight of the slums.

The defense cutbacks have started, however, and a look ahead at the production of nuclear weapons indicates just how serious this problem is likely to be as time goes on.

CURRENT SPENDING

At the present time the Government is spending over $1.5 billion a year to mine uranium, convert it into U^{235} and plutonium, and process it into nuclear weapons. President Kennedy announced that we had a nuclear capacity in being to kill over 300 million human beings in a single hour. Secretary McNamara has said that we now have "more than 500 operational long-range ballistic missiles" in addition to the Strategic Air Command, over 500 bombers on quick ground alert, and "in stockpile or planned for stockpile tens of thousands of nuclear explosives for tactical use."

The need for the raw materials and the production of these raw materials into fissionable material for weapons will accordingly decline over the rest of this decade. Already this year savings of "tens of millions" are planned in the production of fissionable material, though the mining costs and weapons production costs will remain about the same.

Eventually, however, whole towns will be affected. The Hanford, Wash., plant for example, now employs over 6,000 and is the sole economic support of Richland, Wash., a town of over 25,000.

THE APPALACHIAN PROBLEM

Other towns likely to be affected are Oak Ridge, Tenn., Paducah, Ky., Portsmouth, Ohio, and Savannah River, Ga., among others. This is not an emergency problem. Nobody here is talking about closing up these plants in the foreseeable future, but conversion takes a long time.

The Atomic Energy Commission is the biggest user of electrical power in the country (6 percent). Its purchase of coal is a major factor in keeping the coal mines going in some of the poorest regions of Kentucky, Tennessee, Ohio, and Illinois, and therefore plans for the future of these already depressed areas are important.

This is the kind of problem that is likely to plague President Johnson. The foreign front was President Kennedy's major problem, but the home front is likely to be Johnson's, and the need for some effective way to convert from the cold war to the slum war is likely to be more urgent with every passing month.

"Hunger, disease, and ignorance," the President said, were the enemies of the United Nations. But they are also the enemies of one-fifth of the people of the United States.

EXHIBIT 2

THE INVISIBLE AMERICANS

(By Ben H. Bagdikian)

There is a world inside the United States where the American dream is dying. It is a world where, when it rains at night, everyone gets up to move beds away from the leaks. Where there is no electricity—but refrigerators are valued to keep food safe from rats. Where regularly at the end of the month whole families live on things like berries and bread. Where children in winter sleep on floors in burlap bags and their lung X-rays at age 12 look like old men's. Where students drift hungry and apathetic through school and their parents die 10 or 20 or 30 years earlier than their countrymen.

These are the poor. They are not just the psychological cripples. Nor are they located only in small, isolated pockets. They are everywhere in the country. Every city, every region has them. In a few places there is scarcely anyone else.

At least 36 million Americans, 1 in every 5, are poor. They are the men, women, and children who don't come close to living under minimal standards of food, shelter, and medical care. They are not basically different from their fellow Americans. But they have had the bad luck to be born in a poor region, or to be trained for a dying or automating industry. They may have dark skins. They may be sick. They may have lost their jobs after they were 40 years old—too old to find new jobs but not old enough to die. Or, like the American Indians and the small farmers, they may merely have been born into an obsolete culture.

The poor in 1963 are largely invisible. They are concealed by modern apparel—all Americans tend to dress casually and, with modern dyes, most old clothes remain unfaded. They are also hidden by the new shape of the metropolis, where the most wretched people are unseen in the central cores of cities while their comfortable compatriots are gone to the suburbs. Finally, the poor are obscured by the national average. Since World War II it has been taken for granted that the United States, with the world's highest standard of living, has eliminated poverty. For 80 percent of the population this is true, and this 80 percent assumes it is the same for all.

The American poor are incomparably luckier than the poor of Asia and Africa and the Middle East, who die by the hundreds on the streets. But poverty is measured according to the standards of a man's own community.

If most of America is well fed, the man who can't find three meals a day for his family is poor. If most of America has modern weatherproof housing, the man whose home is leaky and has no piped water is poor. If most of America has enough medical care to stay alive until age 70, the man who can't afford to live beyond age 55 is poor. Such a man is poor statistically. But he is also poor in a far more damaging way: He is a failure in his neighbor's eye and in his own.

Most of the poor are helpless victims of a social upheaval they could neither foresee nor control. Farms are becoming great mechanized operations, surviving through science, size, and big investment. In the process, country people are being squeezed off the land—more than a million a year—and are fleeing to the cities.

The traditional urban foothold for the novice from the country is the unskilled job, and this is being eliminated by automation. Nevertheless, the city has much excitement, some jobs, and a tradition that the starving shall be fed. At this moment, millions of rural Americans are merely waiting for the busfare or the hint of a job, or for the last vestige of family loyalty to die so that they can flee the rural misery they know for the risk of urban misery unknown.

Willie Johnson is a short, stocky West Virginian. He is 55 years old, which means that society expects at least 7 more years of work from him before he qualifies for a social security pension. Like his father, he went into the coal mines at age 13 and worked steadily. Twelve years ago he was earning more than $100 a week. Today, he earns nothing. He will probably never work again.

"If a man looks hard enough," the middle-class belief goes, "he will find some work." This is hard to believe in Logan County. It is one of the 230 counties of southern Appalachia, the beautiful mountain region that runs from West Virginia to northern Alabama, where 7 million Americans are gasping from economic suffocation. In all of Appalachia the three main ways to earn money—farming, lumbering, and mining—need ever fewer men. In Logan County, where mining is the sole source of money, there were 14,000 men in the mines in 1954 when Willie Johnson last held a job. Now there are only 3,500.

With 10,000 families out of work in one small county, the men who get no welfare because they are not crippled or have no dependents live in abandoned shacks or friends' woodsheds, and no one is sure how they stay alive.

Willie Johnson's family is on maximum relief in the county. Each month they get $165. Rent is low, $27 a month (four rooms, leaky roof, no running water). Electricity is $7.50. This leaves $130.50 for everything else.

With eight children at home, it is not an easy choice between shoes, books, and food. Books in the public high school cost $28 a year; this can be prohibitive. When he was in the ninth grade, the oldest son, young Willie, dropped out of school so the younger ones could stay in.

"First 2 weeks we have it right smart," Willie Johnson says of their diet. Breakfast is eggs, salt pork and brown gravy. Lunch is a bowl of pinto beans. Supper may be 2 fryers for 10, potatoes, beans, milk for the children and coffee for parents.

The last 2 weeks bring a pinch known to millions of the poor. By then, small catastrophes have occurred—a schoolchild's shoes have literally fallen apart and one has to spend $4 for a new pair that will disintegrate in the first rain, or $8 for a pair that will last. The night they had an unexpected visitor the 10 Johnsons were having berries picked from the back hill, mixed with flour. It was the 25th of the month, with a week more to go before the next welfare check.

For two Christmases there have been no presents in the Johnson household. The children have never seen a movie. An old television set is broken. The last time a doctor was in the house was 1951. Recreation? "I don't know the meaning of it," Willie Johnson said without rancor.

He mostly sits on his sagging porch in a sagging tubed chair, looking at the melancholy hills around him. From his chair he can see, high and shadowy on a distant ridge, a strip mine that produces 40 railroad cars of coal a day. When he was young, it employed 500 men. Today it produces the same amount of coal with 20 men. Young Willie spends at lot of time sitting on the porch too.

Johnson goes to bed at sundown, in one of the 4 beds in which the 10 members of the family sleep.

"I pray every night. My boy, he wants to be a mechanic. This girl of mine, she's 14, she wants to be a teacher. They talk about this and while they're talking I'm hoping and at night I pray: They've got to get out of here."

The farmer has always been the folk image of the perfect American—hardworking, self-reliant, prospering from his own labor and beholden to no man. Farmers and farmworkers are today among the poorest people in the United States. Forty acres and a mule no longer will support a family. It takes at least 325 acres for an average American standard of living, plus good credit at the bank and heavy investment in fertilizers, weed killers and complicated machinery.

The brutal fact is that most farmers are not really needed anymore. Fifty years ago each one grew enough food and fiber for 7 people; today he provides for 24. It is not surprising that in the last 10 years 8 million Americans left their farms for the cities. At this moment there are over 1.5 million young men between 10 and 19 growing up on farms, but in the next 10 years there will be only 150,000 openings for farm operators. Yet most farmers still retain their compulsive desire to make things grow, and their bitter love for the land.

Columbus Cooper is 57 years old. His father owned his own farm and divided the land among his male children. Cooper started clearing his 26 acres when he was 16 years old. He built his present house with his own hands, an unpainted pine clapboard cottage. On a rainy day recently he looked out on his land in Sumter County, S.C., at the sagging tobacco shed, the drizzle glistening on the small tractor and moistening the rust on his 6-year-old car. For him, too, the revolution was a perpetual puzzle.

"Things are kind of standing still. That's what's worrying me. I'd like to redeem myself, but the expenses are growing. Things could break bad for me if I can't stop this expense and pay back my indebtedness. * * * Sometimes I can't sleep nights trying to solve my problems."

It is generally agreed that a farmer in the United States, if he wants to live at an ordinary standard of living, needs to gross at least $10,000 a year cash income. Columbus Cooper, with a family of 12, grosses $1,500.

He is no rarity in American farming. There are 350,000 full-time family farms that average $438 a year in sales. Because he is a Negro he is worse off than most. More than 40 percent of all Negroes in rural areas have less than $1,000 a year income. Rural whites are better off, but not much; 50 percent earn less than $3,000; 20 percent, less than $1,000.

Cooper, a thoughtful man who dresses neatly and looks out steadily through shell-rimmed glasses, cannot quote national statistics. But he knows that 4 years ago he had to mortgage the farm for the first time for $2,000 at 7-percent interest. Since then he has reduced it to $1,500, sometimes with bales of cotton. But each year he has less money to start the next crop and has to borrow for seed, fertilizer and fuel to cure his tobacco.

He grows most of the vegetables they eat—cabbage, collards, turnips, peas, beans—and spends $600 a year for store food: rice, flour and occasionally stew meat. If the cow is milking, the children get milk. In summer he and the boys may catch pike, bream or catfish. In winter and fall they hunt for squirrel, which Mrs. Cooper boils and then fries.

He pays $400 a year on his tractor, $85 for kerosene to cure his tobacco, $200 for fertilizer. Clothes, mostly shoes, cost about $150 a year. All his older children finished 12th grade and the rest plan to; he carries heavy insurance—at $200 a year—to try to guarantee it. But this already is $1,635, and provides nothing on his mortgage or on the $300 he still owes on his car. Nor for medical and dental bills. Or anything else.

Mrs. Cooper is a younger, round-faced, serious woman who thinks she works harder than her mother, who worked very hard. "I do a lot of mending and altering hand-me-downs, but you know older girls in school."

Their living room was neat (the roof leaks in two or three places but not bad) with clean yellow curtains on the windows, an old but scrubbed linoleum, two sofas used for sleeping in summer (there are seven beds for 12 people), and a piano given them by an aunt in North Carolina.

"Jo Earl, she's 15, takes lessons. They cost 60 cents a week. It's a lot for us, but I think the girls ought to have something like that," Mr. Cooper said.

At Christmas they spend about $2 for each child. "Birthdays, there aren't presents, but we do eat something special, like chicken or sweetbread."

A doctor was last in the house 4 years ago. When toothaches are unbearable the children go to a dentist in town at $3 a visit.

When Cooper wishes out loud, he wishes he could pay cash to start each crop instead of going into debt. He wishes he could get a Government loan to clear 20 more acres and thus increase his income.

"But mostly I hope my kids do better than I'm doing. They'll have to achieve something on their own, and they'll have to study

for that, learn modern farming, or a trade like brickmasonry. But I hope they won't have to leave home. Oh, I hope they won't. But I want them to do better than I have."

"Those who labor in the earth," wrote Thomas Jefferson, "are the chosen people of God."

But Jefferson didn't know the migrant workers, the 2 or 3 million Americans who work on other people's farms. They move like nomads from farm to farm and from State to State. They live in the worst squalor, the most hopeless family chaos, and the most ignored poverty of the American poor.

Theirs is a strange existence. Their seasonal movements are charted on maps like those of the birds, but more is known about birds than about these human beings. They are almost outside the normal workings of American society—except that their hands pick the Nation's fruit and vegetables.

They are constantly crossing State lines, but are exempt from Federal minimum wage laws for workers in interstate commerce. They are almost never eligible for welfare, since they do not live long enough in one place. They do not get unemployment compensation when they are out of work, or workmen's compensation when they are injured.

In 1960 the average migrant worker earned $1,016. Where there are families, they all work. It is hard to get anyone to admit there is still any child labor, but in 1959 a special U.S. census showed 457,000 children between the ages of 10 and 15 employed in agriculture.

If you drive north from Miami on route 441, you will see no sign of migrants unless, somewhere along a 30-mile stretch north of Fort Lauderdale, you turn off onto dirt roads, bump into still smaller roads and run into one of the 90 clusters of shacks in the tall grass where 35,000 migrant workers work during the winter. They hope to earn enough money to move north for picking in the summer, and then have enough at season's end to get back south again.

This year desperation ran through the camps. One Thursday it began to rain in flooding sheets, and 2 days later the last of the bean crop was ruined. It was a severe financial loss for the farmers, but it meant starvation for the pickers.

Mildred Mason—not her real name—is 18 years old. She had an illegitimate child when she was 15, but the baby died of dysentery. This is not unusual. She now is legally married, has two healthy children and appears to be in firm control of her life. This is unusual.

She and her husband Joe live in a one-room shack. There are no windows, only hinged boards. Fleas and flies are so thick nobody troubles to brush them off anymore. The only source of heat and cooking is an open fire outside their doorway.

Water comes from a pump that serves 11 other shacks.

Mr. Mason can make $36 or $42 a week, and Mildred makes $20 or $30. But they do not make this every week. In 1959 the average days worked by all migrant workers was 143, and work gets harder to find as automatic machinery learns to plant, weed, and pick. Cotton used to be a $6-a-day crop 6 months a year. Now it is closer to 60 days.

Yet migrants continue to appear, like the Masons, coming mostly from sharecropping, where there is now no work whatever.

The Masons see the handwriting on the wall but do not know what to do about it. Last May they left Florida after 6 months' work with $25 to show for it. They arrived, 2 days and nights of continuous riding later, in Cedarville, N.J., with $14 left. The strawberry crop in New Jersey was 10 days late, so they—two adults and a child, with one on the way—tried to stretch the $14 until the crop was ready. After a summer of picking—with time off while she was sick—they returned to Florida with $3.

Mildred Mason is slender, solemn, and possessed of an uncommon poise. But now she spoke in a rush: "I don't want my husband picking crops anymore and I don't want my children to. I'm tired of worrying about crops being ready, worrying if it's going to rain, worrying if there'll be a storm. I want food for my kids, a house that doesn't have rats or bugs, that has windows in it, a house where the wind won't come through the wall and the rain won't come in like there was no roof at all. I want my kids to have an education. It's awfully hard to get a job without an education. We're good pickers. But I never in my whole life had more than $40 cash at one time. Right now I don't have a single penny."

Her eyes filled and she looked fierce as her 6-month-old child crawled to her feet and stuck a fist into his mouth.

"I don't have a single penny and no food. But I don't care. I don't want to go up that road anymore."

Jose Chico is a powerful, barrel-shaped American Indian who calculates that he is 61 years old. During the first 30 years of his life he lived pretty much as his forefathers did in the year A.D. 1500. Like others in the Papago tribe in southern Arizona, he dwelt in adobe houses, grazed cattle, coaxed crops out of the grudging soil, hunted deer and rabbit in the mountains. The tribes were ruled by village elders in remote family clusters in what is still some of the most lonely and inaccessible inhabited land in the United States. Their ancestors have been there for about 5,000 years and, like most of the 500,000 American Indians, his people are repulsed by personal aggressiveness and by failure to work for family and tribe. The mastery of the quiet Indian was his instinct for catching deer, his ingenuity in trapping flash-floods to sustain desert gardens, the incredible sensitivity to the austere land and its life. But now this is all wrong. The lack of personal aggressiveness in a competitive labor market becomes apathy and laziness. The sensitivity to nature becomes quaint confusion in the city. Family and tribe are no help on the paved streets of Phoenix and Chicago. In less than a lifetime, Jose Chico's world has leaped ahead 500 years.

Jose Chico, cataracts forming over his eyes, peers over the desert range, at the giant cactus, the golden paloverde trees, the scarlet punctuations of the ocotillo, the purple mystery of mountain and mesa—the visible evidence that the tribe is rich in nature, since they own 4,000 square miles of this land. Yet starvation is endemic among them.

Like his father, he still coaxes a usable garden out of the desert, he still does some herding of cattle for others. In addition, he picks some cotton to make about $500 a year to support his wife and five children. He gets surplus Federal foods. But still there is not enough cash.

Two of his sons attend a mission high school in New Mexico, their tuition and board paid by the church. But he got a letter saying they needed shoes. The $30 he had saved for food for the month of May went by return mail.

Jose Chico stood by the corner of the well-made adobe house and the neat ocotillo-branch corral he has proudly maintained his whole life. He was somber. What did his children plan to do to make a living after they finished high school in New Mexico?

He stared at the questioner as long as it is courteous for an Indian to look at anyone without speaking. Then he looked back at the shadows stretching out over the desert.

"I don't know," he said. "Come back home with me, I think. Maybe, I hope."

"George, you obscenity head. You know what today is? You know, you dumb bastard? Today is Sunday, April 14. Easter. And you know what that means? That means a bottla wine is gonna cost you 85 cents."

A half-human sound: "All I got is an obscenity 70 cents."

"Thass what I'm tellin' ya, you cheap obscenity. The only way you're gonna get a bottle today is from the bootleggers. There ain't no 50-cent bottles today. There ain't no sales."

The animal sound came plaintively again. "All I got is 70 cents."

"Why, you cheap bastard. You got 5 bucks downstairs advance rent. Go get it, you cheap bastard. You know today's Easter."

From a distant cage a voice groaned.

Nearby someone vomited.

Another voice cried out in sleep.

You walk down both long flights of stairs, past the flophouse sign that reads, "Clean, quiet, no drunks." Outside, a man's body was sprawled across the curb, half in and half out of the gutter, an empty wine bottle near his hand.

The Easter sun was just up, pouring yellow, horizontal and thick down West Madison Street like a searchlight. There was no sound, but moving ghostlike through the blinding light were dozens of men, shuffling, wandering, moving noiselessly in the middle of the street, along the side of buildings, men who walk all night because they have no place to sleep or who have slept in doorways and are in the sun trying to warm muscles gone stiff from sleeping on concrete. A few purposeful men already rifle the trash barrels for the treasured empty bottles, worth half a cent each toward the golden goal of 50 cents, the price of 1 pint of red fluid marked "port," which acts on foodless bodies to produce a strange narcosis through which some men choose to die slowly, all for 50 cents a pint. Except that this was Easter and you would have to spend at least 85.

This was Skid Row in Chicago, one of the areas in the country's 100 largest cities where men congregate to accompany each other over the edge of civilized life and then over the edge of life itself.

But these wrecks are not typical of the poor. They are only a few hundred thousand of the more than 30 million poor. Actually, they constitute only 60 percent of Skid Row inhabitants. The rest are aging bachelors, maybe former seamen or truck drivers, who have come to Skid Row to live as cheaply as they can or because they prefer its naked drama to life in a respectable middle-class rooming house.

My flophouse "room" was a steel cage, a windowless hole with ugly mustard-colored corrugated steel walls. It was 8 feet long, too narrow to stretch the arms wide in, and 8 feet high, the top covered with chicken wire. Inside was a locker, a broken wooden stool and a cot with one sheet, one blanket and lice On the whole floor of the building—where my cage was No. 270—the stench was solid, sticking in the throat for days after, a mixture of urine, vomit, dirty socks, sweaty bodies, and smells unidentifiable. It was a place easy to leave for the rough excitement of Saturday night on Skid Row. For the huge bar—"Full shot beer, 25 cents"—where a casual inquiry brought a cold, "You ask too goddam many questions." For the all-night movie: "It's a good joint; they let you sleep but you gotta watch out you don't wake up and maybe your shoes is gone." Or the mission where a lugubrious sermon on Sodom and Gomorrah was preached to 18 soundly sleeping men.

Back in the flophouse the sounds are much like those of men dying. The maids usually find one man dead each morning among the 38 flophouses.

"O Lord," an old man's voice cried out in the night. "O Lord, have mercy on my soul. O Lord, I'm sick. I'm dying. Please O Lord, please have mercy on my soul."

A voice from the next cubicle barked, "Shut up, you bastard."

Other men got the shakes as they lay on their cots, the terrible shivering of a man addicted to wine and now having withdrawal symptoms cured only by a new drink. Only during their fitful sleep do fragments from the past float to the surface of men's minds, like the cry in the night, "Where's my dad? Where's my dad?" and the wild sobbing.

Edmund MacIntosh had been depending on the theory that hard-boiled eggs and opened cans of meat need no refrigeration. And he was sick.

He had also depended on the theory that if you work hard, live frugally, and mind your own business you will get by without help. And now he was 74 years old and needed help.

MacIntosh, to use a descriptive but not a real name, depended on hard-boiled eggs because his Los Angeles hotel room has no refrigerator, and he cannot afford to eat out. He is trying to live on his $50-a-month social security check. Room rent is $38.50 a month, which provides a room with clean linen every 2 weeks and clean towels every day. The remainder goes for food and chewing tobacco. Every week friends on the same floor do his shopping for him: two dozen eggs, seven small cans of V-8 juice, two cans of meat, a carton of dry cereal and his tobacco. He boils the eggs at once and eats them morning and evening. He stretches a can of meat for 3 days or so. He has just discovered that hard-boiled eggs and canned meat need refrigeration in warm weather.

MacIntosh has a solid, dignified manner, even as he lies on his bed, propped on an elbow, his square-jawed face ashen. He looks vital, but he has dizzy spells, and so fears to walk outside. "I'm afraid I'll fall down, and the cops will think I'm a wino. That happened to a friend of mine, and when I couldn't find $21 bail money for him he got 30 days."

His response to the present problem is one of hurt rather than anger. He was always able to earn money. He finished high school in North Carolina and 2 years in a military institute. He was in the Navy in World War I, married a Georgia girl, had a daughter, and after the war bought a newsstand on Times Square in New York and made $2,500 a year. When the depression ended that, he worked in a Baltimore hospital, then in the late 1930's got back to newspaper distribution in Washington at $3,000 a year. He joined the Navy the day after Pearl Harbor and was on a troop transport at Midway when he got a letter saying his wife was getting a divorce.

After the war be became a watchman at a California airbase for $38 a week with free room; then a railroad guard at $80 a week, until 1954, when the railroad began laying off men.

Then he came to Los Angeles—"because it's warmer here, and that helps"—and began doing a variety of odd jobs. He had a regular clientele for lawn cutting until automation reached him in its own way. "People began getting those power mowers. That was the end of me."

He had known he was eligible for social security but let it pile up. When the power mowers took over, he collected an accumulated $1,250 and began his $50 a month. He bought a suit of clothes and prepared for the rest of his days. But it became apparent $50 a month would not care for the rest of his days. He sold his TV set when he was economizing. But this only brought $15.50. He is down to $250 of his nest egg and needs medical care for his stomach, his dizziness, his failing eyesight. And he needs something to help through his loneliness. "I got a letter a year ago. It was from the bank telling me how much I had left."

Edmund MacIntosh is one of 8 million Americans who form the aged poor. He lives, or tries to, on $600 a year. There are 1.5 million lone individuals who live on less, tucked away in the cheapest rooming houses. Millions of others live in poverty as couples. These are the lonely old people known mostly to welfare workers, to postmen delivering the social security checks on the first of the month, and to the firemen who carry the elderly outdoors when an alarm flushes them out of the geriatric warrens.

When Edmund MacIntosh was a boy, there were fewer than 4 million Americans over 65. Today there are more than 16 million. In 1920 more than 30 percent of the aged were working, today only 20 percent work. Science is keeping them alive longer but it is taking away their jobs, making them obsolete.

MacIntosh did nothing wrong in planning for his old age, but his plans were not good enough. And now he needs help.

"What I need most is medical attention. I need a suit of clothes. I'd like to go to church. I'd love to go to a picture show. And if I had some good company, I guess that would be pretty good."

Into the cities they pour, refugees from a silent revolution.

We are in the midst of a great upheaval in American life. In the last four decades 27 million people have flocked to Metropolis. It is a greater migration than the one from Europe, which at its height—from 1880 to 1920—brought 21 million newcomers to America's cities.

In Chicago the white folk from the countryside come mostly by Trailways bus, carrying all they own—a suitcase tied with rope, an old trunk, three shopping bags, a folded baby buggy, a bag of grits—and clutching a letter from a relative, who came earlier, with an address and a warning: "Don't take the cabs, they'll cheat you."

If they are colored, they come mostly by that great iron artery in southern Negro life, the Illinois Central Railroad, getting off in awe under the largest building they ever saw, carrying their old suitcases and trunks, cardboard boxes with clothes and pans—and they, too, bring a carefully written address, an address that may no longer exist, because newcomers go to the slums, and massive redevelopment is turning numerous urban slums into vacant lots or luxury apartments.

If they are American Indians, they may come in rickety old cars from the Dakotas and Utah and Arizona, fleeing the hunger of the reservations, making Chicago the fourth-largest concentration of Indians in the United States.

But it is not just Chicago. It is the same in New York, Los Angeles, Philadelphia, Detroit, Cleveland, Washington, Atlanta, St. Louis—all the great cities. Almost all of the newcomers are poor, and most of them remain poor.

There are enoromous differences in each person's response to adversity, and this has led to the assumption by some people that poverty makes one more noble. This was never true for most of the poor, nor is it now. Yet the belief persists that the poor, compared with the affluent, ought to be more honest, more resourceful, more puritanical, more disciplined, more resilient against despair, more emotionally stable and simultaneously more aggressive and more submissive. They are not. Poverty is the pressure of living at the bottom of the social sea, and this pressure finds the weakness in every personality. Poverty is dirty, hungry, cold in winter, broiling in summer, and worst of all it is lonely and self-reproaching.

The modern American immigrant comes at an unhappy time. The unskilled job, foothold for the newcomer, is being replaced by machines. From 1947 to 1961, twice as many new people entered the labor force as there were new jobs to be had. From 1957 to 1962, industrial production went up 20 percent, but there were 1 million fewer factory jobs. The new openings are in white-collar, professional and managerial work, and these are the jobs for which the untrained poor are totally unsuited.

Today's cities are stranger to the American rural poor than were Boston and New York to the European immigrants of the turn of the century. All Americans two generations ago were learning to live in the city, and the Europeans often were city folk of long standing. Today's rural migrant comes from simple homes and shacks. Back in the small towns whole lifetimes were spent in face-to-face personal relations that stayed stable. But in the city these are replaced by impatient people who talk fast, and demand applications in triplicate. The punctuality and impersonality of city jobs seem depressing.

In school the children of newcomers are in the fifth grade, two grades below city children of the same age, a reflection of the slower-paced education that existed where they came from.

The final irony is that today it costs more to be poor. Children must go to school: thus law as well as custom demands a higher standard of living. And the family without a car is lacking what has become a basic tool of American living. The factories and shopping centers have fled to the suburbs, as have the experienced city dwellers. The poor find it harder to compete for jobs, and they pay more for their food than those with cars. They feel more isolated than ever.

"You mean you want to take a look at a hillbilly?"

Homer Burleigh, 33, out of Anniston, Ala.—hefty, freckleface, and sandy-haired—stood in the doorway of his flat, dressed in T-shirt and slacks, immobile with resentment. Like 20,000 other southern whites now living in the 2½ square miles of Chicago's Uptown, he has his troubles, his pride, and an innate suspicion of the city slicker.

But he is too good-natured to stay sullen. Inside, four of his five children, ranging from 2 to 7 years old, ran about in underpants. His wife, a wan, tired woman, was pregnant. The 5-year-old chanted at the visitor, "You got on a necktie. You got on a necktie."

Once Homer Burleigh decides he likes you, he is an engaging man. His mother had died when he was 3. As he tells it, he had fought with his stepmother, gone with an uncle to Detroit; and, by persistent trial and a winning honesty about his lack of experience but his desire to learn, was soon earning $100 a week. Two years later, with a 1940 Chevrolet and $3,000 in savings he went back to Anniston. "Between me and the car and a few goodlooking women, that $3,000 didn't last 10 months."

Like many southern white men, he shifted from the North, when plants shut down or work slackened, to the $40-a-week jobs back home in Alabama. Then he met his wife, a waitress with a child by a previous marriage. They decided to get married and try Chicago. Four days after his arrival he was earning $100 a week on a punch press.

In the next 7 years there were four more children, more rent, more food, more medical bills. They learned to make his pay stretch fairly well until work began to slacken. He couldn't support his family on less than 40 hours' work, so when his plant went on short time he went out and found another job working full time. But this meant he built up no seniority, and when the new plant had to lay off men, he, being the last hired, would be the first fired.

A familiar set of walls moved in on him. Machine shop work in the city went on shorter time. He had the almost universal desire for a car and the $60 a month on his 1954 Pontiac became harder than ever to squeeze out of his $300 take-home pay. He developed running sores under his arms that interfered with his work. The finance company attached his pay. So Homer Burleigh committed folly. He got a new social secu-

rity number and drew his pay under another name, to balk the finance company.

A doctor gave him a letter saying he should not work. He applied for welfare aid, which would take about 2 weeks to be processed and during those weeks he kept on working.

When I saw Homer Burleigh, his welfare had been cut off because of fraud. He did not know what would happen about the social security number. He said the finance company had seized the car. Because he was out of work and without welfare aid for a month, he had fallen behind in his rent, and he was going to be evicted in 4 days. Already the furnishings of normal life were beginning to fall away. One room of the flat was bare except for a sewing machine in the middle of the room, one chair and a caged parakeet in the corner. The living room had two pieces of furniture, a sofa and a TV set.

"If the arm continues this way and if they don't give me assistance," he said gloomily, "I'm going to have to put the kids in a home."

Homer Burleigh is a likable man who reacted foolishly to a crisis. Whether society punishes him is yet to be seen. But there remain his wife, five children and a sixth expected, and whether they head down the road to perpetual dependence upon others will be governed by how farsighted society is in dealing with the poor, the foolish, and the unlucky.

I'm going to be a lawyer," said Harry, aged 6. "Lawyers make good money. I'm going to keep my money."

"I'm going to be a doctor," said his 7-year-old brother firmly, "and I'm going to take care of my family."

Their 8-year-old sister announced serenely, "I'm going to be a nurse in a big hospital and wear a real uniform and help people."

The sweet optimism of youth could have been heard in millions of American homes, but this home was rather special.

Though it was midafternoon, the tenement was dark. Gray plastic sheeting was tacked to the insides of the windows. Plaster was off part of the ceiling and walls, and strands of hair on laths trembled with the passing wind from outside. Double doors opened onto the kitchen, which was almost invisible. Its windows, too, were sealed with opaque plastic, presumably to preserve heat. But the darkness was thickened by a crisscross of clotheslines that filled the room with hanging rags of clothes. In one corner of the kitchen was a table with three legs and one chair. In another was a stove bearing a pan of cold soapy water with clothes soaking, next to it a pan of cold beans and beside that a crusted frying pan bearing one single short rib congealed with fat. Through one kitchen door was a bathroom with the toilet boarded over; it had frozen and burst in the winter cold. Through another door was "the kids' room," two beds for seven children. Neither bed had a mattress; the children slept on the springs.

"Look at this book I got from school," Harry said. "Want to hear me read?"

Harry read about Dick and Jane and their dog, Spot. Dick and Jane were cleancut, well-dressed Anglo-Saxon children who lived behind a white picket fence in a red-roofed cottage with geraniums in the window. Their mother was a smiling blonde with clear, square teeth. Their father wore a snap-brim hat, a conservative suit, and carried a briefcase. And they all lived happily in a schoolbook called "Friends and Neighbors."

Little Harry might as well have been reading science fiction. His own family had never in his memory eaten a meal together—there were not enough chairs, dishes or forks. The mother's role or the oldest daughter's at mealtime was to watch as each child took a portion of the pot on the stove to make sure no one took more than his share.

But Harry was still eager to please. He had not yet learned that other people expected him to be like Dick and his sister to be like Jane, to have parents like Dick and Jane's, to live in a house like Dick and Jane, and that as a Negro slum kid all of this was as remote to him as the canals of Mars. And unless he were uncommonly lucky, this book and the school would soon seem as remote.

The Martins—a fictitious name—are living off welfare. They came from McCrory, Ark., 6 years before, and Martin got a job at $84 a week in a meatpacking plant. Last year the plant moved away, and the family went on welfare. Last winter a newborn child whose crib was a supermarket basket died of pneumonia, Martin began drinking and has been more or less drunk ever since.

Mrs. Martin looks weary and bewildered, huddling in the perpetual twilight of their tenement, fearful of the outside world. She was hard to picture as a young woman entering a new city with excitement—until I asked when she had last bought a dress. She stared blankly and then for the first time her eyes lost their emptiness and she smiled. Her voice had a kind of life it had not had before, so much so the children stopped talking and listened in amazement.

HER LAST GOOD DRESS

"It was 6 years ago. We was making good money at the meat plant and he took me out to a dress shop. When he saw how much I liked that dress, he said, 'Honey, you get it.' It cost $30. Oh, that was a dress, I mean it really was a dress. It was pink, and it was cut a lot lower than this one and it had sequins all over, and they shined and shined and the pink was so pretty."

The girl from McCrory, Ark., was for the first time identifiable as a woman with a range of emotions. Then the face began to sag again. She wiped her hands automatically on the side of her stained dress, and one could see that her slip was held up with pieces of knotted twine.

Outside, Sister Mary William, the young, tall, indomitable Irish nun who strode through Chicago's West Side, looked down the endless line of row houses, at the trash barrels lolling on their sides, the broken glass laid like a glistening carpet as far as the eye could see. It was the sight her own father had looked at when he first visited from St. Louis and asked his daughter in dismay, "What was it you did that was so bad they sent you here?"

She crunched the broken glass under her awkward black shoes and said, "You figure out what's going to happen to Harry Martin when he finds out he's never going to be a lawyer. And his brother's never going to be a doctor. And his sister's never going to be a nurse. The worst most of us have to resign ourselves to is that there's no Santa Claus. Wait until this hits those kids."

Poverty is like cancer. Left to itself, it will generally get worse. There is no simple cure. And elementary humanity requires that the sufferer be cared for.

Welfare payments are inescapable. Families in the city cannot create their own food and shelter without work, and in a rapidly developing industrial country it is inevitable that some men will have their work suddenly withdrawn. If the poverty that follows is not to be multiplied by the deprived children, and if industrial society is to remain civilized, such families cannot be left to starvation and exposure.

Yet simple money payments do not solve the problem. What is needed is intelligent work to help the poor to self-sufficiency. Many need to be taught the subtle skills of city living. The unemployed have to be kept in touch with jobs and new skills, for the poor live in isolation from the world of success.

The best work among the poor is done by those who live among them. The poor are submissive, but they are also suspicious. It is "us" and "them," and the social worker who is one of "them" seldom gets anywhere.

It is impossible to cross the United States in pursuit of poverty without being impressed by its paradox: the continuing vigor of the land and the strong pulse of humanity among its people. And yet poverty continues to be the fate of one American in five. This does not mean that America is callous about its poor. It means that most comfortable Americans have come to believe that the poor do not exist at all.

This belief is dangerous. It is easier than ever to avoid seeing the poor, but it is also more perilous. Each year the poor become more densely packed into the centers of our cities, ever more isolated from the hopes and satisfactions of normal American life. While this is happening, the demands increase for education and skill in order to earn a living. Thus, the poor get packed tighter together while their hope of rising becomes dimmer. There are persistent rumors that Communists are running food and propaganda into the starving populations of Kentucky and West Virginia. It would be ironic if they should undermine a proud people's faith in the future, and in the midst of a country that has a strong tradition for helping the unfortunate.

Time is running out on the fuse of poverty. To look into the faces of the poor in America is heartrending but the situation is not yet hopeless.

There is not yet the frozen, bitter cynicism of the Old World poor. Their children are not yet taught to hate those who have money. Their parents, most of them, still feel a sense of obligation to work for something better. The look on Jose Chico's face was one of obstinate hope, on Homer Burleigh's of belligerent pride, on Columbus Cooper's of quiet courage. They still expect—without much proof—that it is abnormal for them to be poor. When that expectation goes, this country will have changed.

"Poverty in the midst of plenty," the late President Kennedy said shortly before he was killed, "is a paradox that must not go unchallenged, because there are men, women and children who need intelligent help.

"But comfortable Americans have another reason for challenging poverty, for to turn their backs on those in need would tarnish the noblest element in the American character."

WHO ARE THE POOR?

Average family income in 1960 was $6,800, certainly not poor. But average is an abstraction. If a man with an income of $200,000 a year lives in a mansion and the only other house on the block belongs to his chauffeur, with $4,000 a year, the average income for that block is $102,000—which tells nothing about either inhabitant. Something like this has happened nationally.

Half of all American families earn less than $5,600. Almost one-third earn less than $4,000; 22 percent earn less than $3,000; 13 percent earn less than $2,000; and 5 percent of our families earn less than $1,000.

The Bureau of Labor Statistics regards $1,500 in cash and benefits—free food and fuel, for example—as necessary for a lone individual to live modestly. And in 1959 the U.S. Department of Labor surveyed 20 American cities to find what is a "modest but adequate" family budget. The average was about $6,000, of which a family of four spent about $4,000 for food, shelter, taxes, medical and working expenses.

If the lowest adequate income for an individual is $500 and that for a family $2,000, there are still 20 million Americans who fail to meet those standards. As the standards rise, so do the totals. If the minimums are raised to $1,000 and $3,000, there are 36 million poor. If to $2,000 and $4,000, there are 54 million.

Assuming that 36 million qualify as poor, one can identify a number of groups composing this total, some of them overlapping. About 8 million live in rural areas, mostly on farms. About 8 million are aged poor. About 7 million fall into that group of obsolescent citizenry, the "unskilled workers"—people who wash dishes, work in hospitals, drift in and out of similar simple labor. About 500,000 are American Indians. A few hundred thousand are derelicts on skid rows. Among these groups are the semipermanently unemployed: coal miners, steelworkers, meatcutters, autoworkers—families of men who once worked for the most respectable wages in industry but who have now been replaced by machinery.

Most noticeable of the poor is the Negro, once concentrated in the rural South, now two-thirds in the cities. Many went from field to factory during World War II and the Korean war, when labor was in demand; but being the last hired, they were the first fired when automation or recession came. Negroes still average 40 percent less than whites in wages and have double the white unemployment rate. They are 22 percent of the American poor—double their proportion of the population. But, numerically, the great majority of the poor are white.

Poverty is not particular to any region. It is a normal reservoir in all rural areas. It is a migratory stream of desperation headed for the cities. And it is now a festering concentration in every metropolis in the land.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 1211. An act to admit the vessels *Fort Town, Maple City,* and *Windmill Point* to American registry and to permit their use in the coastwise trade;

H.J. Res. 658. Joint resolution authorizing and requesting the President to proclaim 1964 as "See America Year," and for other purposes;

H.J. Res. 680. Joint resolution requesting the President to designate 1964 as "United States Customs Year"; and

H.J. Res. 848. Joint resolution to provide for the designation of the month of February in each year as "American Heart Month".

HOUSE BILL AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bill and joint resolution were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 1211. An act to admit the vessels *Fort Town, Maple City,* and *Windmill Point* to American registry and to permit their use in the coastwise trade placed on the calendar.

H.J. Res. 658. Joint resolution authorizing and requesting the President to proclaim 1964 as "See America Year," and for other purposes; to the Committee on the Judiciary.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of 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.

Mr. MORSE. Mr. President, I yield myself 5 minutes. First, I should like to have the attention of the majority leader and the acting minority leader.

The PRESIDING OFFICER (Mr. BAYH in the chair). The Chair reminds the Senator from Oregon that consideration of his amendment has not yet been reached.

Mr. MORSE. First, I am seeking to get parliamentary clearance before I offer my amendment.

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

Mr. MORSE. Mr. President, I ask unanimous consent that the time required to propound the parliamentary inquiry I have raised shall not be charged to either side.

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

Mr. MORSE. The pending amendment is the Mundt wheat amendment. The understanding among the leadership is that the Mundt amendment will not come up until tomorrow. That is the agreement we entered into with the Senator from South Dakota. Therefore, it is necessary to agree to lay aside, for the time being, the Mundt amendment and to take up the next amendment. I ask unanimous consent that the pending amendment, the Mundt amendment, be laid aside for the time being.

Mr. PASTORE. Reserving the right to object, the Mundt amendment has not been called up. It is not the pending amendment at all.

The PRESIDING OFFICER. It is automatically stated as a committee amendment.

Mr. PASTORE. Then I do not object.

The PRESIDING OFFICER. Without objection, the request of the Senator from Oregon is agreed to.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield, provided the same arrangement holds, and that the time will not be charged to either side.

Mr. PASTORE. I will take 1 minute on the bill.

Mr. MORSE. That is not necessary when one propounds a parliamentary inquiry.

Mr. PASTORE. Mr. President, I wish to read into the RECORD a letter from the White House. I believe it is fitting that it should be placed in the RECORD at this juncture:

THE WHITE HOUSE,
Washington, December 17, 1963.

HON. CARL HAYDEN,
Chairman, Committee on Appropriations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Your committee is now considering appropriations for economic and military assistance for the current fiscal year.

I recommend to the committee, in the strongest terms, favorable consideration of the maximum appropriation authorized under the enabling legislation. A candid look at the situation in Asia, Africa and Latin America reveals no diminution in the continuing intensive thrust of Communist penetration and subversion. The interests of the United States are deeply engaged in the effort to establish freedom and progress in those areas. In my judgment, as in the judgment of Presidents Kennedy, Eisenhower and Truman before me, the future welfare and security of the American people require us to support the struggle of the peoples in the developing countries to achieve and maintain their freedom.

In the conviction, therefore, that the future of our own country is at stake, I strongly urge that the committee provide funds needed for a continuation of the strong U.S. economic and military assistance effort. I am conscious of the necessity for improving the efficiency of our aid program—of requiring more self-help from aid recipients, of trimming excess staff and of taking other measures needed to accomplish the results we seek at minimum cost. I assure you that we have already undertaken and will intensify our efforts to make this program effective and efficient.

I am also fully in accord with the view of the Members of Congress that we should urge other advanced countries to provide more assistance for underdeveloped nations. I pledge to continue and strengthen our efforts in this direction.

When full account is taken, however, of the opportunities for greater efficiency and for greater participation by other nations, the need remains and cannot be escaped, for a major effort by the United States. It would be false economy to cut funds which are needed for our own security and future well-being. I, therefore, urge the committee's favorable consideration of the appropriation request before it.

Sincerely,

LYNDON B. JOHNSON.

Mr. MORSE. Mr. President, I call up my first amendment, which is an amendment to strike out the proviso clause on lines 12 and 13 on page 15. I yield myself 5 minutes.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 15, line 12, it is proposed to strike out the proviso down to and including line 13, as follows:

Provided, That this paragraph shall be effective only upon enactment into law of authorizing legislation.

Mr. MORSE. Mr. President, I am glad that the letter of the President of the United States was read into the RECORD. I completely disagree with practically every premise contained in the President's letter.

The President should be sending to the Senate specific proposals for reform of the foreign aid bill. He knows full well that the foreign aid program, as presently operated, is full of inefficiencies. It is full of hundreds of millions of dollars of waste. I would much rather read a letter from the President giving the American people his assurance that he will take note of what he knows is a fact—namely, that the American people are demanding that waste in the foreign aid program be eliminated. He has a great opportunity, in my judgment, to make recommendations for specific reforms. It would be much better than the letter he has sent to the Senate, which adds up to one thing. He advocates, for the time being, the continuation of the shocking waste and inefficiency in the foreign aid program which in so many parts of the world is causing downright corruption. We should end American support to corruption in the administration of the foreign aid bill by some of the countries abroad.

I come to the amendment before the Senate. We have agreed in the Senate to

postpone action on the proposal to add $50 million to the American subscription to the Inter-American Development Bank. If that language had been adopted in the Senate Appropriations Committee report, it would be subject to a point of order, for it would amount to legislation on an appropriation bill.

The Parliamentarian advises me that the language is not subject to a point of order because of the fact that it is in the House bill.

It is a very bad legislative practice and policy, for it is an attempt to build up a sort of backlog pressure support for the adoption on January 14 of the bill the consideration of which the Senate agreed by unanimous consent to postpone until January 14.

We should not appropriate any money for a program that is not yet even authorized. In my judgment, that would involve a legislative practice and policy to which we should call a halt this afternoon in the Senate.

It does not follow that the money for the program could not be obtained by way of a supplemental appropriation bill after January 14, if the authorization is approved on January 14.

I am advised by the staff of the Appropriations Committee that Mr. Dillon sent word to the committee that he was going to Latin America, I believe to Venezuela, early next year and was particularly anxious to have this item in the bill. My question is, So what? It is not for Mr. Dillon to decide the legislative policies of the Senate.

In my judgment, the Appropriations Committee should not bring to us a request that we in effect approve an appropriation subject to subsequent action on an authorization bill involving the subject matter. I believe we should stop this procedure.

That is why I offer my amendment. We should strike out the language. If the authorization bill is passed on January 14, there will be no question about the ability to obtain an appropriation for the program.

I believe the proposal involves bad policy. I believe we ought to strike it out now.

Mr. LAUSCHE rose.

Mr. MORSE. Does the Senator from Ohio wish some time?

Mr. LAUSCHE. I should like to ask the Senator a question.

Am I correct in my recollection that in the Inter-American Development Bank bill, which was before the Senate a few days ago, this particular item of $50 million was included?

Mr. MORSE. It was. That is what the bill was all about.

Mr. LAUSCHE. The bill which was before the Senate, which was by agreement postponed until January 14, envisioned the expansion of the capital structure of the Inter-American Development Bank by another billion dollars?

Mr. MORSE. We are talking about the $50 million.

Mr. LAUSCHE. $50 million for the special fund?

Mr. MORSE. That is correct.

Mr. LAUSCHE. The bill also contemplated a billion-dollar expansion in all, of which about $350 to $400 million was to be subscribed by the United States.

Mr. MORSE. Speaking from memory, I believe it was some such figure. My concern and interest now relate to the question of the $50 million for the special fund, because that is what is involved in my amendment.

Mr. LAUSCHE. Forgetting the other item of the increase in the capitalization, it is positive that the $50 million item was in that bill?

Mr. MORSE. That is correct.

The PRESIDING OFFICER. The 5 minutes yielded by the Senator from Oregon have expired.

Mr. MORSE. I yield the floor, for the time being.

Mr. PASTORE. Mr. President, I do not know what may be said about Secretary Dillon talking to members of the staff or staff members talking to Mr. Dillon. Secretary Dillon called me directly and talked with me personally.

The $50 million item was in the appropriation bill which came from the House. The authorization bill has been held up in the Senate. It was held up this past week at the request of the distinguished Senator from Oregon, who suggested that consideration of the authorization bill go over until January 14.

We all understand that the money could not possibly be spent until such time as it is authorized to be spent.

No one has any guarantee that a supplemental appropriation bill will come to the Senate the first part of January, or the latter part of January, or even February. Our commitment will become due in the early part of this spring.

All that the provision would say is that the money be provided in the bill, to remain available until expended, "*Provided*, That this paragraph shall be effective only upon enactment into law of authorizing legislation."

What is so wrong with that? All we would say is that when the bill which, on the motion made by our distinguished friend from Oregon, was put over until January 14, is resolved one way or another, the money will be available. Certainly the Senate is not to be handcuffed or committed in any way. Then and only then could the money be spent.

We can "shadowbox" until the cows come home, but that is the clear situation.

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

Mr. PASTORE. This is a simple thing not at all involved. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add to what the Senator from Rhode Island has said. It is my understanding that the authorization bill passed the House. The House provided the appropriation. The bill has been held up. The Senate committee put the authorization bill before the Senate. That will be debated on January 14. A proviso was put in by the Appropriations Committee, since both the authorization bill and the appropriation item had passed the House. We put in the proviso because we believed that on January 14 this matter would be decided.

I understand this item is quite necessary for the Inter-American Development Bank. If we do not put in a provision now, we cannot tell when it would come before the Senate.

Mr. PASTORE. If we do not put in the proviso now we will have to take out the $50 million.

The argument of the Senator from Oregon is that it could be put in a supplemental bill, and that the supplemental bill will come to the Senate in January, but no Senator knows—heaven only knows—when that bill will come to the Senate. If we consider the experience of this year, as to what will happen next year, perhaps the bill will not be considered until May or June, and the fact then will be we could not meet our commitment. That is how much the whole program could be disrupted.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. MORSE. In view of the argument made by the Senator from Rhode Island, Mr. President, I modify my amendment to strike out the language on line 7 through line 13, page 15, to eliminate the whole item, until the Senate makes its decision as to whether there shall be any authorization for the expenditure at all.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The language proposed to be stricken is as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

Investment in Inter-American Development Bank

For payment of subscriptions to the Inter-American Development Bank for expansion of the Fund for Special Operations, $50,000,000, to remain available until expended: *Provided*, That this paragraph shall be effective only upon enactment into law of authorizing legislation.

Mr. MORSE. I wish to say, most respectfully, I could not disagree more with the Senator from Rhode Island in respect to what the Appropriations Committee should do. I do not believe the Appropriations Committee ever should bring to the Senate a proposal to appropriate money in regard to a subject matter for which we have not even passed an authorization bill. If there ever was a sloppy way to legislate, that is it.

I believe the Appropriations Committee needs to be brought under some checks. This is one of the checks; namely, that the Appropriations Committee remember at all times that it is not a legislative committee. I do not care how we look at it, this amounts in effect to the Appropriations Committee legislating for the Senate, because it would write in a proviso clause that something become effective by way of appropriations at some time in the future if the Senate authorizes a project. I do not believe that is a proper way to legislate.

Mr. YOUNG of North Dakota rose.

Mr. MORSE. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I was going to request 7 minutes from the time on the bill.

Mr. PASTORE. There is an amendment pending, if the Senator does not mind waiting a minute.

Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Rhode Island has 10 minutes remaining, and the Senator from Oregon has 8 minutes remaining.

Mr. PASTORE. Mr. President, I believe all has been said that needs to be said. We are in complete disagreement. I categorically disagree with the Senator from Oregon and he disagrees with me categorically. That is where it stands. Let us leave it to the Senate.

Mr. MORSE. Mr. President, I ask for the yeas and nays on my amendment, as modified.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, I now yield 7 minutes to my distinguished colleague, the Senator from North Dakota.

Mr. MORSE. I am perfectly willing to yield the Senator some of my time.

Mr. PASTORE. We have plenty of time.

Mr. YOUNG of North Dakota. Mr. President, the provision in the House-passed foreign aid bill prohibiting the Export-Import Bank from insuring commercial credit for the sale of wheat or any other commodity or goods to Russia and Communist-bloc countries was ill-advised and will do far more harm than good. I can see no advantage accruing to us from this provision from either a military or security standpoint. The greatest Nation in the world in its role of promoting peace throughout the world has much to lose by hoarding its food supplies while people go hungry. Desperate, hungry people never understand the technical reasons why we refuse to make our food available.

Withholding wheat sales to Russia and Communist-bloc countries could mean some hungry people during the months to come. The hungry people will be the non-Communists who want to be our friends. The Communist Party members themselves will not lack food. The anti-Communist people such as those in Hungary who desperately tried to overthrow the Communist yoke a short while ago are the kind of people who would suffer.

Canada and all of our other allies are willing and able to supply all the wheat needs of Russia and her bloc countries. If Russia had available the fertilizers, insecticides, and herbicides of American farmers, she could easily expand her production by one-third or more. Russia presently is embarking upon a 7-year $46 billion program to expand its chemical and fertilizer industries. Any nation which can put the first man into space can find the means of producing adequate supplies of fertilizer and chemicals. They already have huge land resources.

This objectionable provision in the foreign aid bill only prevents us from making sales to Russia and her satellites on commercial terms, which in trade channels has always been considered the same as cash. Twenty-five percent of these purchases have to be paid in cash at the time of the sale and the balance in quarterly payments not later than 18 months thereafter. The governments of all our allies, in their trade transactions with these Communist countries, do provide insured commercial credit. The Export-Import Bank advises us that these Communist countries have been very prompt in meeting these payments.

We have a chance to unload some of our burdensome surpluses and at the same time gain many advantages here and abroad. All of our allies are doing a flourishing business with Russia and Communist-bloc countries. It is costing the United States dearly to carry on this futile one-nation blockade.

We have already given Yugoslavia $2.4 billion in grants, loans, and in sales of agriculture commodities for Yugoslav currency. There is nothing in this proviso in the foreign aid bill to prevent continued grants and outright gifts of money or the sale of commodities for local currencies to Yugoslavia or other Communist countries. All of these countries are willing and able to pay us dollars now in place of these outright gifts of the past for the commodities they need. Why prohibit this more sensible approach through amendments such as the one now in the foreign aid bill?

The United States had made available over $450 million worth of agricultural commodities to Poland through the Public Law 480 program, under which we accepted their currency, which is of little value to us. There is nothing in the provisions of this amendment to stop more of these kinds of sales and agreements. It would, for all practical purposes, only prevent sales for U.S. dollars. Have we gotten into such a rut with our giveaway programs that we shy away from business transactions where we can realize some good hard currency?

I hope the House provision restricting sale of wheat and other commodities will be deleted.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

Further conference with the Senator from Louisiana [Mr. ELLENDER] and with the Parliamentarian presents a very novel situation as far as the language is concerned. The Parliamentarian tells me this proviso clause is subject to a point of order, but if it is stricken on the basis of a point of order, then we shall be in a position in which the Senate Appropriations Committee would have approved the expenditure of the $50 million of appropriated money before there was an authorization act covering it enacted.

Technically, apparently the Appropriations Committee can do it—which bears out my point that that is no way to appropriate. It has raised the point that, if that procedure is possible, we must change the rules of the Senate and make clear to the Appropriations Committee that it cannot exercise that kind of discretion, because its effect is legislation, and the legislative process is involved in the authorization process of the Senate, and not in the appropriation process of the Senate. This means that indirectly, through a back door, an appropriations committee could exercise legislative functions by way of passing legislation rather than straight appropriations. That puts those of us who are in opposition in the position of perhaps having to raise a point of order in order to get the precedent established, although I think the legislative history I am making now creates the precedent.

We certainly do not want the money spent before it is authorized. We certainly ought to change the rules so no appropriations committee can bring back this kind of arrangement, whereby it is passing an appropriation prior to authorization.

Mr. PASTORE. Mr. President, after all, the Appropriations Committee does not go out of its way to do this sort of thing. This is just as obnoxious and objectionable to us as it is to the Senator from Oregon. But here we were met with a question of expediency. The problem of expediency arose because the Senator from Oregon obtained a unanimous-consent agreement to bring this authorization matter before the Senate on January 14.

I realize that we have an appropriation without an authorization, but, after all, it will expire if the authorization is rejected. Yes, it can be continued, but no one knows when the supplemental appropriation bill will come before the Senate. That is the reason why we left it in in this way. It was not the best way, but it was the only way under the circumstances, because we were defending the reputation and name of the United States to meet its commitment. True enough, if the authorization is never passed, this $50 million cannot be spent. We thought that, while it was not the best way, it was the only way under the circumstances.

Mr. FULBRIGHT. Mr. President, will the Senator yield 1 minute to me?

Mr. PASTORE. I yield.

Mr. FULBRIGHT. I wish to join in what the Senator from Rhode Island has said. The Senator from Oregon is the one who delayed consideration of the authorization bill which was before us this week, as has been stated. That put the committee in a position of having it resort to this kind of procedure. Under the circumstances, it was the only thing it could do to give some support to a policy which is established and to which the country is committed. Granted that the commitment is moral and that all such commitments are subject to the authorization and approval of Congress, they are commitments as far as they can be made, and this money is appropriated for the continuation of a special fund to which the country is committed.

In this case I think the Appropriations Committee was entirely correct in following this procedure. I hope the Senate will not strike the provision.

Mr. MORSE. Mr. President, I yield myself 1 minute.

I want to say that the statement of the Senator from Rhode Island or of the Senator from Arkansas does not change my position one iota. The unanimous-consent agreement was entered into within the parliamentary rights not only of the Senator from Oregon, but of other Senators who supported that move, such as the Senator from Alaska [Mr.

GRUENING], the Senator from Missouri [Mr. SYMINGTON], and other Senators. The Senate worked its will in connection with that unanimous-consent agreement, and decided to postpone action on the authorization bill until January 14.

Mr. President, I do not care how anyone tries to vocalize it or rationalize it—the fact is that the Appropriations Committee followed a course of action that amounts to getting around the will of the Senate in regard to postponing action on the authorization bill. The Appropriations Committee should not have done it. The Appropriations Committee should not pass this kind of indirect legislation upon an authorization bill. They are building up, if nothing else, legislative pressure for the passage of the bill on January 14. I can hear the argument that will be made, probably by the Senator from Arkansas, on January 14: "On today the Senate approved this indirect approval of the authorization bill." In my judgment, that is sloppy procedure, to be most kind. In my judgment, I think it is a violation of the jurisdiction of the Senate by the Appropriations Committee.

Mr. FULBRIGHT. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am delighted to yield.

Mr. FULBRIGHT. I would not call it sloppy. I believe it was to meet a contingency created by the Senator from Oregon. It is true that the Senate entered into a unanimous-consent agreement, but it did not thereby work its will. The Senate wished to vote on it. Because the Senator from Oregon, with his unusual capacity to delay the Senate, it was under the compulsion to agree to the unanimous-consent agreement or see a major part of the remaining legislation go down the drain. He used his right. He has that right. He has the right under the unusual rules of the Senate, of which I approve, of course; nevertheless the rules can be taken advantage of, in my opinion, and I believe the Senator from Oregon is a past master at it. He did take advantage of them. He did force this agreement, and I do not consider that to be the will of the Senate at all.

If he thought it was the will of the Senate, why did he not let the Senate come to a vote on it, and see what the will of the Senate was on that particular item?

He knew he would lose. That is why he let us understand that if we did not reach such an agreement there would be no vote on anything this week.

Mr. MORSE. I yield myself 1 minute. I am always saddened when I see the Senator from Arkansas abuse that brilliant mind of his. The Senator from Arkansas knows that every time the Senate accepts a unanimous-consent agreement it is working its will, and it agrees to the acceptance of the unanimous-consent agreement. He knows why the Senator from Oregon did not want to vote on it the other day. It was because the Senator from Arkansas was attempting some steamroller tactics to put the bill through the Senate. The Senator from Arkansas did not get his committee report to the floor of the Senate until the very afternoon he asked us to vote on the bill. The Senator from Arkansas got the bill through the committee on Friday afternoon. We did not get notice from the committee to file minority views on the bill. We came to the floor on Monday afternoon and found what the Senator from Arkansas, with his great ability, had done.

We stopped him in his tracks by insisting on either a unanimous-consent agreement or we would take the necessary time to enlighten the Senate as to what was involved in the bill.

It was then agreed that we would wait, until there could be a further study of the bill, until January 14. That is what happened. The Senate very wisely adopted the unanimous-consent agreement. I know I did not make the Senator from Arkansas happy by stopping his steamroller, but I stopped it cold last Monday afternoon.

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

Mr. MORSE. I am trying to stop the Appropriations Committee from also adopting a procedure that I do not believe is in the best legislative interest of the Senate. That is why I have offered my amendment.

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

Mr. MORSE. I yield.

Mr. PASTORE. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 5 minutes remaining.

Mr. FULBRIGHT. I do not wish to take much time.

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

Mr. FULBRIGHT. The idea of a steamroller is ridiculous. The bill had been before the committee for months. It was introduced in June. It had been before the committee and was delayed at the request of various Senators. I forget now whether it was the Senator from Oregon who had a part in delaying it. I suspect he did. It had been under consideration for months, however.

There was no more of a steamroller then than there was during the 3 weeks of debate that the Senator from Oregon conducted on the foreign aid authorization bill itself. If there was a steamroller, it was not the Senator from Arkansas who was running that steamroller. I do not wish to go over it again, but the Senate has an opportunity now to pass upon the merits of the subject.

I hope the Senate will reject the Senator's amendment.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add to what the Senator from Rhode Island and the Senator from Arkansas have said, that this is a procedure which is followed by the Appropriations Committee when at the tail end of a session an authorization is on the way through but has not gone through Congress. If it does not go through in January, so far as the bill under discussion is concerned, it all ends there.

However, I wish to point out to the Senate that in other instances we have done exactly this; for example, when the President has sent a message and when an authorization has not gone through. We have put such items like this in an appropriation bill under those conditions. It is not a good procedure, but it is a procedure which is followed at the tail end of a session. No one is hurt by it. If the Senator from Oregon kills the bill on January 14, then nothing will happen anyway. I hope the amendment of the Senator from Oregon will not be agreed to.

Mr. PASTORE. I hope we can vote on the amendment. I believe everything that can be said on it has been said.

Mr. MORSE. Mr. President, I will take only 1 more minute. I wish to say two things. First, so far as the statement of the Senator from Massachusetts is concerned, the President's message deals with budgeted items. We do not even have an authorization for this item. The second thing is I wish my friend from Arkansas to understand that I will not let the record stand with regard to his statement about a steamroller. The steamroller I am talking about is the steamroller of last Monday. There were not 10 Senators in the Chamber who could have passed an examination as to what the bill was all about.

Mr. FULBRIGHT. That is not unusual on many bills, I say to the Senator.

Mr. MORSE. When the committee report came to the Senate, the Senator wanted an immediate vote. The Senator did not wish to wait even a day, so that the Senate could study the bill. If that is not a steamroller, I do not know what a steamroller is. All I asked for was some time in which the Senate could study the demerits of the bill. The bill is full of demerits. The Senate worked its will.

I yield back the remainder of my time.

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Oregon [Mr. MORSE].

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 West Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON], the

Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

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.

The Senator from Maryland [Mr. BEALL] is detained on official business.

If present and voting, the Senator from Kansas [Mr. CARLSON] and the Senator from Colorado [Mr. DOMINICK] would each vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Maryland would vote "nay."

On this vote, the Senator from New Mexico [Mr. MECHEM] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 23, nays 60, as follows:

[No. 272 Leg.]

YEAS—23

Bennett	Gruening	Mundt
Byrd, Va.	Hruska	Robertson
Cotton	Johnston	Russell
Curtis	Lausche	Stennis
Dirksen	Long, La.	Talmadge
Eastland	McClellan	Thurmond
Ellender	Miller	Williams, Del.
Ervin	Morse	

NAYS—60

Aiken	Hart	Monroney
Allott	Hartke	Morton
Anderson	Hayden	Moss
Bartlett	Hickenlooper	Muskie
Bayh	Holland	Nelson
Bible	Humphrey	Pastore
Boggs	Inouye	Pell
Brewster	Jackson	Prouty
Burdick	Javits	Proxmire
Cannon	Jordan, Idaho	Randolph
Case	Keating	Ribicoff
Church	Kennedy	Saltonstall
Clark	Kuchel	Smathers
Cooper	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McGee	Symington
Edmondson	McGovern	Williams, N.J.
Fong	McIntyre	Yarborough
Fulbright	McNamara	Young, N. Dak.
Gore	Metcalf	Young, Ohio

NOT VOTING—17

Beall	Hill	Pearson
Byrd, W. Va.	Jordan, N.C.	Scott
Carlson	Long, Mo.	Simpson
Dominick	Magnuson	Tower
Engle	Mechem	Walters
Goldwater	Neuberger	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, the Senate is proceeding under a time limitation, with one-half an hour available.

The bill is quite well understood. If Senators will remain in the Chamber, it will not be necessary to use all the time which has been made available; then the vote can be taken.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PASTORE. Mr. President, if there are no further amendments——

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana is recognized.

LEGISLATIVE APPROPRIATION BILL—AMENDMENTS IN DISAGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unanimous-consent agreement be temporarily laid aside, and that the Senate take up the items in disagreement on the legislative appropriation bill.

The PRESIDING OFFICER. Is there objection?

ORDER OF BUSINESS

Mr. MORSE. First, Mr. President, I wish to clear up the parliamentary situation. Will the Senator from Montana yield?

Mr. MANSFIELD. Of course.

Mr. MORSE. I ask unanimous consent that there may be a brief parliamentary discussion with the majority leader, and that the time required for it not be charged to the time available under the agreement.

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

Mr. MORSE. As the Senator from Rhode Island has pointed out, the Senate is proceeding under a unanimous-consent agreement which was entered into a while ago in the absence of a number of Senators who now are present. Under the agreement, the Mundt wheat amendment is to be brought up tomorrow. The agreement was that final action would not be taken tonight on the foreign aid appropriation bill. Other amendments will eventually be offered, and 15 minutes are available to each side. I was pleased to suggest to the majority leader that such a timesaving arrangement be entered into, and both of the leaders agreed.

I have just now told the majority leader that, in my judgment, further time will be saved if no attempt is made to press for the taking of votes tonight on other amendments. I believe that many more amendments would be offered tonight, as compared with the number offered tomorrow if proponents of amendments were permitted to have time to hold conferences and thus decide on the amendments to be offered. Then the Senate can work its will.

I suggest that after action on the amendments in disagreement to the legislative appropriation bill, the Senate either take a recess or adjourn until tomorrow morning, at 10 o'clock.

ORDER FOR RECESS TO 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I have discussed this matter with the Senator in charge of the bill, the distinguished Senator from Rhode Island [Mr. PASTORE]; the distinguished Senator from Illinois, the minority leader [Mr. DIRKSEN]; the distinguished Senator from Oregon [Mr. MORSE], and other Senators who are interested in this particular matter. We would like—with the permission of the Senate—to call up very shortly the amendments in disagreement to the legislative appropriation bill, and to see what luck they have this time.

So far as further consideration of the foreign aid appropriation bill is concerned, I ask unanimous consent that when the Senate concludes its session tonight, it take a recess until 9 o'clock tomorrow morning.

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I wish to state that there will be no further votes tonight on amendments to the foreign aid appropriation bill.

I ask that the unanimous consent agreement on the foreign aid appropriation bill be laid aside until 9 o'clock tomorrow morning, when the time limitations will again run.

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

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

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I trust that Senators will not leave until the amendments in disagreement to the legislative appropriation bill are disposed of, because I apprehend—in view of all that has been said on the floor—that one of them will have to go back to the committee.

I see no necessity for a record vote; I am quite content to have a voice vote taken.

I understand that the distinguished Senator from Oklahoma [Mr. MONRONEY] is prepared to ask that those amendments be called up.

Mr. MONRONEY. Mr. President, I intend to ask that they be taken up. One of the amendments is still in disagreement on this side of the Capitol.

Mr. MILLER. Mr. President, did I correctly understand the Senator from Montana to state that there will be no more yea-and-nay votes this evening; or did he state that there will be no more votes of any sort today on the foreign aid bill?

Mr. MANSFIELD. There could still be a yea-and-nay vote in connection with the amendments in disagreement

to the legislative appropriation bill; I do not know. My remarks pertained only to the foreign aid appropriation bill.

Mr. MILLER. Very well.

LEGISLATIVE APPROPRIATION BILL—MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Mr. MONRONEY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives in regard to certain of the amendments adopted by the Senate to House bill 6868, the legislative branch appropriation bill for the fiscal year 1964.

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 6868, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
December 17, 1963.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 30, 31, 35, 37, and 38 to the bill (H.R. 6868) entitled "An Act making appropriations for the Legislative Branch 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 36, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,119,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 40, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

Sec. 104. No part of any amount appropriated in this act shall be available to finance, under authority of section 4167(a) of title 39, United States Code, the mailing and delivering of mail matter sent through the mails after October 2, 1962, with a simplified form of address under the franking privilege by any Member or Member-elect of the United States Senate to postal patrons, including those patrons on rural or star routes; nor shall any part of any amount appropriated in this act be so available with respect to the mailing and delivering of such mail matter so addressed by any Member or Member-elect of the House of Representatives beyond the district which such Member or Member-elect was elected to represent.

Mr. MONRONEY. Mr. President, since there are only two amendments still in disagreement—for the House has receded on the others—I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 36.

This amendment relates to funds for the Legislative Reference Service of the Library of Congress. The House approved an appropriation of $2,138,000. The Senate committee voted to decrease this amount by $39,000, to $2,099,000.

In the conference on the bill, some time ago, the conferees agreed on a compromise figure of $2,099,000.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I am glad to yield.

Mr. WILLIAMS of Delaware. This amendment does not deal with the so-called junk mail item, does it?

Mr. MONRONEY. No. It relates only to the Legislative Reference Service.

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

The motion was agreed to.

Mr. MONRONEY. Mr. President, I now move that the Senate concur in the amendment of the House of Representatives to the amendment of the Senate numbered 40. This relates to the mailing prerogatives of the House and the Senate—with respect to which the committee has worked long and hard in an effort to reach an agreement. But we have been unable to do so; and I believe that the two bodies find themselves hopelessly deadlocked, unless a compromise is reached.

The amendment which was brought before the Senate a week or so ago was not, I believe, considered on its merits. Instead, I believe it was considered on the basis of anger by the Senate in regard to what it believed to have been unjustified and untrue allegations against the Senate and its payroll, and other statements without substance or fact.

I do not believe that at that time we reached the heart of the issue or the contents of the amendment, in connection with the effort to settle this difference between the two Houses.

As regards apologies, we received a letter from the chairman of the House subcommittee on the legislative appropriation bill. Furthermore, when the matter was brought up yesterday in the House, a compromise and conciliatory effort was made. Regret was expressed by the House chairman for being inept and for making statements, which were not justified, which angered the Senate. They were, in his opinion, bandied about by the press and, as he says, were overplayed and distorted, and otherwise had the effect of making him unpopular with Members of this body.

The Senate, by a yea-and-nay vote of 88 to 2, voted to send the bill back to the House in protest. The House has responded to that vote by accepting the Senate amendment with an amendment.

Stated simply, the amendment provides that Senators would restrict themselves—as I think it is the present intention of the Senate—so that Senators would not use simplified address procedures. Mail could not be sent under a senatorial frank which would be addressed to "occupant" or "box holder."

Historically—for as long as I can remember—and until very recently, Members of both bodies could send mail addressed to "box holder" on a rural route under the frank without any name of the box holder being placed on the mail. We could send such mail to star routes or to fourth class post offices in instances in which city delivery is not available, and to the box holders in small post offices.

The amendment would take away—and I think quite properly so—the right of Senators to use the frank for the so-called occupant addressed mail, which some have called junk mail.

Under the original proposal of the House, to which we disagreed, an attempt was made to have the Senate recede from its position in favor of the House position on the right of Members of the House of Representatives to use a simplified address for rural routes and for city delivery as well.

As many Senators have pointed out, that proposal would have granted a rather unfair privilege to Members of the House. They would be able to circulate mail without the names and addresses of the recipients, but merely addressed to "box holder," and they could send such mail throughout their entire State. They would then have an advantage over a Senator in an election or in getting the sender's ideas to the people of the State in a very easy and simple way.

Since the amendment was sent back to the House with the resounding vote of 88 to 2, the House has responded with an amendment to the Senate amendment, which would leave the Senate's position on its practices unchanged. I believe that is how the Senate wishes it to be. The amendment provides that Members of the House shall be confined to using under the frank the simplified address system—that is, mail addressed to "box holder" or "occupant"—only within the Member's own district.

The amendment would confine the Member in almost all cases—except in the case of a Representative at Large—to a population of roughly about 500,000. An exception would pertain to some States which have an imbalance in their population representation.

That is the issue which is before the Senate.

I am satisfied that the House will not yield further on the subject. Traditionally, each House is the judge of its own rules. I believe the only thing we can do is to recede and to accept the House amendment to the Senate amendment.

Members of the House will limit their use of franked mail, and we shall go no further than the Senate chooses to go. We shall be the guardian of our morals; the House will be the guardian of its morals in the use of the frank.

If we wish to avoid the spectacle of being unable even to agree on appropriations for the legislative branch for the present fiscal year, which is nearly half gone, I urge that the Senate accept the compromise and send the bill to the White House for signature.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I yield.

Mr. MILLER. I should like to ask a question of the Senator from Oklahoma to be sure that I understand the situation. The Senate now has the privilege of addressing mail generally to rural areas, star routes, and fourth-class post offices. Is that correct?

Mr. MONRONEY. No. Under the provisions of the Williams amendment

the Senate would not have the privilege of sending any mail under the frank except that which would be addressed to the owner's name and address.

Mr. MILLER. Yes, but under the House amendment, the Senate would have that right.

Mr. MONRONEY. It would still have the right. The right of Senators is changed only to the extent that we could not send mail to "box holder" or to "occupant" under a simplified addressing system under the Williams amendment.

Mr. MILLER. Under the amendment Members of the House of Representatives would not only be able to do that, but also they would, in addition, have the present privileges which are accorded Senators in relation to rural routes, star routes, and fourth-class post offices. Is that correct?

Mr. MONRONEY. No. The only change which the amendment would make would be to give Members of the House the right to send mail addressed only to "box holder" or to "occupant"; to people within their own congressional district. They would still be able to use the frank—as Senators could also—to send mail anywhere in the United States if it is addressed with the normal address form; for example, "Mr. Jones, 16 West 32d Street."

Mr. MILLER. The Senator from Iowa understands that point. But what can Members of the House now do with respect to rural box holders, rural star routes, and fourth-class post offices?

Mr. MONRONEY. As I understand, under the present law Members of the House are allowed to send mail to rural routes and to fourth-class post office boxes—not city delivery—under the frank without such mail being addressed.

Mr. MILLER. Does it not come down to the fact that House Members within their own congressional district and Senators would be treated exactly the same under the proposal, except that within a congressional district the Senator could not send mail to "occupant" or to "box holder" in a city, but a Member of the House could?

Mr. MONRONEY. Within his own district.

Mr. MILLER. Within his own district.

Mr. MONRONEY. That is the only expansion which has taken place. The mail could be sent to "householder" or "occupant" in a fourth-class post office without the complete address.

Mr. MILLER. A Member of the House could do so.

Mr. MONRONEY. A member of the House could do so. A Senator would not be able to send any mail under the frank unless such mail were completely addressed.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I am happy to yield.

Mr. CURTIS. Would the House proposal be workable in a large metropolitan city within which are many congressional districts? Would the proposal place an undue burden upon the mail carrier who would cross from one congressional district to another?

Mr. MONRONEY. The amendment in the report would probably place on the Members of the House the major job of policing that problem in a large city, because at times even blocks are divided. It is quite difficult to determine where one congressional district ends and another begins. But I believe that the activity would be subject to policing if the mailing were done on any substantial scale. I believe the penalty for going across the line would be severe, but under the general laws as regards abuse of the use of the frank, I believe it would be possible to enforce the law.

Mr. WILLIAMS of Delaware. Mr. President, I hope the Senate will again reject the House amendment which would allow junk mailing privileges for Congressmen. As the Senator from Nebraska has pointed out, in New York City there are several Representatives. It is physically impossible for this proposal to be administered. One Representative could circularize the entire city of New York. How could the postman in the State which I represent in part or in any other State tell where the mail should properly be delivered?

There are many post offices in towns that are adjoined in Maryland and Delaware, and in Pennsylvania and Delaware. The address may be Delaware. The Representative could circularize box holders in that whole area. How would he know whether the mail would go to people in Maryland or across other State lines? In States in which only one Representative is elected, that Representative could circularize the entire State. The Senator from that State would enjoy no such privilege.

The only basis for the argument in favor of the proposal is to give Members of the House of Representatives an opportunity to circulate in their congressional districts tons of political propaganda in the 1964 election. Congress has always had the same rule for both the House and the Senate. I do not know of a single instance in which there has been a different rule. Why should the taxpayers be required to pay the postage on political propaganda of a Member of the House? Let them pay their own postage.

Two years ago the Senate by a vote—the House later concurred—abolished that privilege and limited both Houses to using the frank for the purpose of answering legitimate mail only. Now the House wants to reinstate this junk mail provision for their Members.

I believe the Senate amendment should be adopted and the conference report rejected.

Mr. MILLER. Mr. President, I concur in what my colleague, the Senator from Delaware, has said.

It has been mentioned in the newspapers that one of the reasons for the difficulties over the mailing controversy is that some Members of the Senate are concerned that Members of the House might be able to take unfair advantage in a possible future contest, particularly a primary election. This is not the reason why I feel as I do against the adoption of the House amendment to the Senate amendment.

Congress has been subjected to much criticism already, and much of it I believe is unjustified. We should not invite further criticism by agreeing to the House amendment.

Many people get the idea that if a House Member is allowed to do something, everyone in the Congress—all Members of the Senate and of the House alike—are doing the same.

I venture to say that if the junk mail privilege is extended to House Members, even within their own congressional districts, soon Senators will receive mail suggesting that Senators are doing the same. This will only add fuel to the fire which is already spreading around the country with respect to some of the "loose" operation in which I fear a few of our colleagues may have been engaged.

We should not be a party to permitting the junk mail privilege to anyone, either Senators or Members of the House. Both should be treated alike.

We should be thankful for the franking privilege Senators now enjoy, without running the risks of abuse.

Mr. LAUSCHE. Mr. President, I shall vote against the House amendment to the Senate amendment. I shall do so because I am convinced that at present the Congress is receiving lacerating condemnation. My mail indicates that clearly. The letters are of a character difficult to answer.

I agree with what was said a moment ago, that we now enjoy a privilege in the franking rights which is great. I do not believe we have any right to load the mail boxes of citizens against their will. That is being done with junk mail.

For my own protection and for the protection of the honor of Congress, I do not believe we should in any way in the Senate give approval to the flooding of the mail with propaganda.

It is argued that it is for the service and enrichment of the knowledge of the citizenry. That, in my opinion, is not the fact. It is used for political purposes and for political purposes alone.

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma to agree to the House amendment——

Mr. FONG. Mr. President, I ask for the yeas and nays.

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I wish to make clear the parliamentary situation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma to concur in

the House amendment to Senate amendment No. 40.

Mr. WILLIAMS of Delaware. A vote "nay" would be a vote to reject the House amendment?

The PRESIDING OFFICER. A vote "nay" would be a vote to reject the House amendment.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Kansas [Mr. PEARSON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

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.

The Senator from Maryland [Mr. BEALL] is detained on official business.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 42, nays 41, as follows:

[No. 273 Leg.]

YEAS—42

Bartlett	Hart	McGee
Bayh	Hartke	McGovern
Bible	Hayden	McIntyre
Burdick	Holland	McNamara
Byrd, W. Va.	Humphrey	Metcalf
Church	Inouye	Monroney
Eastland	Johnston	Moss
Edmondson	Jordan, N.C.	Muskie
Ervin	Kennedy	Pastore
Fulbright	Long, La.	Pell
Gore	Mansfield	Proxmire
Gruening	McCarthy	Randolph
Smathers	Stennis	Williams, N.J.
Sparkman	Symington	Yarborough

NAYS—41

Aiken	Douglas	Mundt
Allott	Ellender	Nelson
Anderson	Fong	Prouty
Bennett	Hickenlooper	Ribicoff
Boggs	Hruska	Robertson
Brewster	Jackson	Russell
Cannon	Javits	Saltonstall
Case	Jordan, Idaho	Smith
Clark	Keating	Talmadge
Cooper	Kuchel	Thurmond
Cotton	Lausche	Williams, Del.
Curtis	McClellan	Young, N. Dak.
Dirksen	Miller	Young, Ohio
Dodd	Morton	

NOT VOTING—17

Beall	Hill	Pearson
Byrd, Va.	Long, Mo.	Scott
Carlson	Magnuson	Simpson
Dominick	Mechem	Tower
Engle	Morse	Walters
Goldwater	Neuberger	

So Mr. MONRONEY's motion was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

Mr. MILLER, Mr. WILLIAMS of Delaware, and other Senators requested the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the motion of the Senator from Oklahoma [Mr. MONRONEY] was agreed to.

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Is this a vote cn the motion to lay on the table the motion to reconsider?

The PRESIDING OFFICER. Yes. The vote is on the motion to lay on the table the motion to reconsider.

Mr. HOLLAND. I thank the Chair.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senators from Oregon [Mr. MORSE and Mrs. NEUBERGER], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

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If present and voting, the Senator from Maryland [Mr. BEALL], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 42, nays 41, as follows:

[No. 274 Leg.]

YEAS—42

Bartlett	Holland	Monroney
Bayh	Humphrey	Moss
Bible	Inouye	Muskie
Brewster	Johnston	Nelson
Burdick	Jordan, N.C.	Pastore
Byrd, W. Va.	Kennedy	Pell
Church	Long, La.	Proxmire
Edmondson	Mansfield	Randolph
Ervin	McCarthy	Smathers
Fulbright	McGee	Sparkman
Gore	McGovern	Stennis
Hart	McIntyre	Symington
Hartke	McNamara	Williams, N.J.
Hayden	Metcalf	Yarborough

NAYS—41

Aiken	Douglas	Morton
Allott	Ellender	Mundt
Anderson	Fong	Prouty
Bennett	Gruening	Ribicoff
Boggs	Hickenlooper	Robertson
Byrd, Va.	Hruska	Russell
Cannon	Jackson	Saltonstall
Case	Javits	Smith
Clark	Jordan, Idaho	Talmadge
Cooper	Keating	Thurmond
Cotton	Kuchel	Williams, Del.
Curtis	Lausche	Young, N. Dak.
Dirksen	McClellan	Young, Ohio
Dodd	Miller	

NOT VOTING—17

Beall	Hill	Pearson
Carlson	Long, Mo.	Scott
Dominick	Magnuson	Simpson
Eastland	Mechem	Tower
Engle	Morse	Walters
Goldwater	Neuberger	

So the motion to lay on the table the motion to reconsider the vote by which the motion of the Senator from Oklahoma was adopted was agreed to.

Mr. LAUSCHE. Mr. President, when the vote was taken on the conference report itself, I was not recorded as voting. I was in the Chamber and announced my vote against the measure; but it was a little late and therefore was not recorded. I desire to have that statement appear in the RECORD.

The PRESIDING OFFICER. According to the clerk, the Senator from Ohio was recorded on the last vote.

Mr. LAUSCHE. Then my remarks are out of order. Am I shown as

recorded on the vote on the conference report?

The PRESIDING OFFICER. The Senator from Ohio is recorded as having voted in the negative.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative statement of the legislative appropriations for 1963 and the budget estimates and amounts recommended in the bill for 1964.

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

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

Item	Appropriations, 1963 (to date) [1]	Budget estimates, 1964	House allowance	Senate allowance	Conference allowance
SENATE					
Vice President and Senators:					
Compensation of the Vice President and Senators	$2,471,140	$2,471,140	----------	$2,471,140	$2,471,140
Mileage, President of Senate and Senators	58,370	58,370	----------	58,370	58,370
Expense allowance, Vice President, majority and minority leaders	14,000	14,000	----------	14,000	14,000
Total, Senators and Vice President	2,543,510	2,543,510	----------	2,543,510	2,543,510
Salaries, officers and employees:					
Office of the Vice President	134,070	136,710	----------	136,710	136,710
Chaplain	9,250	9,430	----------	9,430	9,430
Office of the Secretary	755,070	769,320	----------	897,885	897,885
Committee employees	2,679,240	2,731,965	----------	2,731,965	2,731,965
Conference committee:					
Majority	81,160	82,740	----------	82,740	82,740
Minority	81,160	82,740	----------	82,740	82,740
Administrative and clerical assistants to Senators	13,265,260	[2] 13,609,650	----------	13,609,650	13,609,650
Office of the Sergeant at Arms	2,647,310	2,698,585	----------	2,704,615	2,704,615
Offices of secretaries to the majority and minority	132,615	135,195	----------	135,195	135,195
Offices of the majority and minority whips	29,750	30,330	----------	30,330	30,330
Official Reporters of Debates	226,195	230,810	----------	231,555	231,555
Total salaries, officers and employees	20,041,080	20,517,475	----------	20,652,815	20,652,815
Contingent expenses:					
Legislative reorganization	131,875	134,755	----------	----------	----------
Senate policy committees	343,580	351,170	----------	351,170	351,170
Automobiles and maintenance	37,300	37,840	----------	37,840	37,840
Furniture	31,190	31,190	----------	31,190	31,190
Expenses of inquiries and investigations	3,951,010	4,025,760	----------	4,025,760	4,025,760
Folding documents	36,000	36,700	----------	36,700	36,700
Mail transportation (motor vehicles)	16,560	16,560	----------	16,560	16,560
Miscellaneous items	2,435,205	[3] 2,484,860	----------	2,458,860	2,458,860
Postage	55,975	55,975	----------	63,535	63,535
Stationery	195,000	195,000	----------	195,000	195,000
Communications	15,150	15,150	----------	15,150	15,150
Total, contingent expenses	7,248,845	7,384,960	----------	7,231,765	7,231,765
Other, Senate:					
Legislative counsel	242,350	247,260	----------	247,260	247,260
Beneficiaries of deceased Senators	67,500	----------	----------	----------	----------
Total, other	309,850	247,260	----------	247,260	247,260
Total, Senate	30,143,285	30,693,205	----------	30,675,350	30,675,350
HOUSE OF REPRESENTATIVES					
SALARIES, MILEAGE FOR THE MEMBERS, AND EXPENSE ALLOWANCE OF THE SPEAKER					
Compensation of Members	10,672,000	10,622,500	$10,622,500	10,622,500	10,622,500
Mileage of Members and expense allowance of the Speaker	200,000	200,000	200,000	200,000	200,000
Total	10,872,000	10,822,500	10,822,500	10,822,500	10,822,500
SALARIES, OFFICERS AND EMPLOYEES					
Office of the Speaker	87,650	94,875	94,875	94,875	94,875
Office of the Parliamentarian	67,840	75,380	75,380	75,380	75,380
Office of the Chaplain	9,250	9,425	9,425	9,425	9,425
Office of the Clerk	1,210,220	1,260,970	1,220,000	1,220,000	1,220,000
Committee employees (standing roll)	3,062,780	3,157,000	3,125,000	3,125,000	3,125,000
Office of the Sergeant at Arms	647,270	661,600	661,600	661,600	661,600
Office of the Doorkeeper	1,109,225	1,150,410	1,150,410	1,150,410	1,150,410
Special and minority employees (several items)	316,560	339,515	339,515	339,515	339,515
Office of the Postmaster	342,300	359,525	359,525	359,525	359,525
Official Reporters of Debates	212,980	217,120	217,120	217,120	217,120
Official Reporters to Committees	215,160	219,345	219,345	219,345	219,345
Committee on Appropriations (investigations)	628,260	660,000	660,000	660,000	660,000
Office of the Legislative Counsel	239,785	[3] 252,530	252,530	252,530	252,530
Total, salaries, officers and employees	8,149,280	8,457,695	8,384,725	8,384,725	8,384,725
MEMBERS' CLERK HIRE					
Clerk hire	21,348,090	21,800,000	21,300,000	21,300,000	21,300,000
CONTINGENT EXPENSES OF THE HOUSE					
Furniture	269,620	282,550	269,620	269,620	269,620
Miscellaneous items	2,688,685	2,825,000	2,800,000	2,800,000	2,800,000
Reporting hearings	175,000	175,000	175,000	175,000	175,000
Special and select committees	3,058,960	3,325,000	3,300,000	3,300,000	3,300,000
Office of the Coordinator of Information	119,525	121,855	121,855	121,855	121,855
Telegraph and telephone	1,500,000	1,670,000	1,670,000	1,670,000	1,670,000
Stationery (revolving fund)	788,400	784,800	784,800	784,800	784,800
Attending physician's office	16,545	16,545	16,545	16,545	16,545
Postage stamps	183,640	182,840	182,840	182,840	182,840
Folding documents	251,300	256,800	251,300	251,300	251,300
Revision of laws	20,485	20,765	20,765	20,765	20,765
Speaker's automobile	10,400	10,600	10,600	10,600	10,600
Majority leader's automobile	10,350	10,500	10,500	10,500	10,500
Minority leader's automobile	10,350	10,500	10,500	10,500	10,500
Portrait of Speaker	2,500	----------	----------	----------	----------
Payments to widows and heirs of deceased Members	45,000	----------	----------	----------	----------
Total, contingent expenses	9,150,760	9,692,755	9,624,325	9,624,325	9,624,325
Total, House of Representatives	49,520,130	50,772,950	50,131,550	50,131,550	50,131,550

See footnotes at end of table.

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

Item	Appropriations, 1963 (to date) [1]	Budget estimates, 1964	House allowance	Senate allowance	Conference allowance
JOINT ITEMS					
Joint Committee on Reduction of Nonessential Federal Expenditures	$28,250	$29,750	$29,750	$29,750	$29,750
CONTINGENT EXPENSES OF THE SENATE					
Joint Economic Committee	260,590	265,730	235,000	235,000	235,000
Joint Committee on Atomic Energy	305,445	311,000	311,000	311,000	311,000
Joint Committee on Printing	120,980	123,530	123,530	123,530	123,530
CONTINGENT EXPENSES OF THE HOUSE					
Joint Committee on Internal Revenue Taxation	337,690	344,440	344,440	344,440	344,440
Joint Committee on Immigration and Nationality Policy	20,000	20,000	20,000	20,000	20,000
Joint Committee on Defense Production	68,060	69,550	69,550	69,550	69,550
CAPITOL POLICE					
General expenses	36,700	36,700	36,700	36,700	36,700
Capitol Police Board	136,000	144,416	144,000	144,000	144,000
EDUCATION OF PAGES					
Expenses	72,945	77,025	77,025	77,025	77,025
PENALTY MAIL COSTS					
Expenses	3,986,000	[4] 4,867,374	4,867,374	4,867,374	4,867,374
STATEMENTS OF APPROPRIATIONS					
Preparation	8,000	8,000	13,000	13,000	13,000
Total, joint items	5,380,660	6,297,515	6,271,369	6,271,369	6,271,369
ARCHITECT OF THE CAPITOL					
Salaries, Office of the Architect	363,000	496,000	480,000	442,500	442,500
Contingent expenses	50,000	50,000	50,000	50,000	50,000
Capitol buildings	[5] 1,296,250	1,437,000	1,428,500	1,428,500	1,428,500
Extension of the Capitol (liquidation cash)	800,000	1,000,000	700,000	700,000	700,000
Planning for restoration of Old Senate Chamber and Old Supreme Court Chamber in the Capitol				37,500	37,500
Capitol Grounds	435,000	496,000	476,000	476,000	476,000
Legislative garage	63,000	50,500	50,500	50,500	50,500
Senate office buildings	2,251,150	2,945,000		2,535,300	2,535,300
House office buildings	1,722,000	1,928,000	1,778,000	1,778,000	1,778,000
Acquisition of property, construction, and equipment, additional House office building (liquidation cash)	8,500,000	[3] 20,000,000	20,000,000	20,000,000	20,000,000
Capitol Power Plant (operation)	2,052,000	2,230,000	2,213,000	2,213,000	2,213,000
Library buildings and grounds:					
Structural and mechanical care	[6] 844,500	3,522,000	3,388,200	3,388,200	3,388,200
Furniture and furnishings	225,000	189,000	180,000	180,000	180,000
Total, Architect of the Capitol	18,601,900	34,343,500	30,744,200	33,279,500	33,279,500
BOTANIC GARDEN					
Salaries and expenses	[7] 452,000	483,000	462,000	454,500	454,500
LIBRARY OF CONGRESS					
Salaries and expenses	[8] 10,074,380	10,405,000	[9] 9,726,000	9,726,000	9,726,000
Copyright Office, salaries and expenses	1,673,560	1,794,000	1,781,000	1,781,000	1,781,000
Legislative Reference Service, salaries and expenses	1,960,820	2,143,000	2,138,000	2,099,000	2,119,000
Distribution of catalog cards, salaries and expenses	2,754,370	[3] 3,077,000	[10] 3,042,000	3,042,000	3,042,000
Books for the general collections	570,000	670,000	650,000	670,000	670,000
Books for the law library	110,000	110,000	110,000	110,000	110,000
Books for the blind, salaries and expenses	1,893,910	1,902,000	1,900,000	1,900,000	1,900,000
Organizing and microfilming the papers of the Presidents, salaries and expenses	112,800	112,800	112,800	112,800	112,800
Preservation of American motion pictures	60,600	60,600	50,000	50,000	50,000
Collection and distribution of Library materials (special foreign currency program):					
Purchase of excess local currencies owned by U.S. Treasury	630,000	898,000	898,000	898,000	898,000
U.S. dollar amounts	49,900	80,000	80,000	80,000	80,000
Indexing and microfilming the Russian Orthodox Greek Catholic Church records in Alaska	15,000				
Total, Library of Congress	19,905,340	21,252,400	20,487,800	20,468,800	20,488,800
GOVERNMENT PRINTING OFFICE					
Printing and binding	15,200,000	18,200,000	18,200,000	18,200,000	18,200,000
Office of Superintendent of Documents, salaries and expenses	4,759,530	5,417,880	5,242,000	5,242,000	5,242,000
Acquisition of site and construction of annex	6,450,000	3,758,000			
GPO revolving fund (additional capital)		[3] 11,000,000	8,500,000	[11] 3,450,000	[11] 3,550,000
Total, Government Printing Office	26,409,530	38,375,880	31,942,000	26,992,000	26,992,000
Grand total	[1] 150,412,845	182,218,450	140,038,919	168,273,069	168,293,069

[1] Including amounts in the Supplemental Appropriation Act, 1963.
[2] As amended in S. Doc. 25.
[3] As amended in H. Doc. 105.
[4] As amended in H. Doc. 118.
[5] And reappropriation, estimated at $337,000. (Language in 1964 bill would extend $78,000 of the unobligated balance to June 30, 1964.)
[6] And reappropriation, estimated at $272,200.
[7] And reappropriation, estimated at $62,000.
[8] And reappropriation, estimated at $67,000.
[9] Together with $230,000 by transfer from National Science Foundation.
[10] Together with $28,000 by transfer from National Science Foundation.
[11] Together with $6,450,000 to be derived by transfer from the appropriation "Acquisition of site and construction of annex."

FOREIGN AID APPROPRIATIONS—1964

Mr. WILLIAMS of Delaware. Mr. President, has the Senate now resumed the consideration of the foreign aid appropriation bill?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. While the foreign aid appropriation bill is the pending business, announcement was made that the bill would be laid aside and that the Senate would not return to its consideration today and that there would be no votes on that bill until tomorrow.

Mr. WILLIAMS of Delaware. I was not about to ask for a vote. I should like to call the attention of the Senate to page 18 of the foreign aid appropriation bill as follows:

MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous items", $215,000: *Provided*, That effective January 1, 1964, the paragraph relating to official long-distance telephone calls to and from Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress (2 U.S.C. 46c), as amended,

is amended by striking out the words "one hundred and twenty" and inserting in lieu thereof "one hundred and sixty" and by striking out the words "six hundred" and inserting in lieu thereof "eight hundred".

POSTAGE STAMPS

For an additional amount for air mail and special delivery stamps for Senators and the President of the Senate, $6,060: *Provided* That the maximum allowance per capita of $550 for air mail and special delivery stamps for Senators and the President of the Senate is increased to $610 for the fiscal year 1964 and thereafter.

STATIONERY (REVOLVING FUND)

For an additional amount for stationery, $60,000: *Provided,* That commencing with the fiscal year 1964 and thereafter the allowance for stationery for each Senator and the President of the Senate shall be at the rate of $2,400 per annum.

I make the point of order that these items constitute legislation on an appropriation bill and are, therefore, out of order in this particular bill.

In view of the fact that the Senate has just reinstated the right to distribute junk mail under the franking privilege, the least we can do is to save the amount of money provided in these other three items. I ask that the Chair rule on the point of order.

Mr. PASTORE. Mr. President, the point of order is untimely. A unanimous consent agreement was made to put the foreign aid appropriation bill over until 9 o'clock tomorrow morning. If a point of order is to be made, it must be made at 9 o'clock tomorrow morning.

Mr. WILLIAMS of Delaware. If the Senator feels that I am out of order in making the point of order now I will withhold it and reserve the right to make the point of order tomorrow. According to the rule of the Senate the items to which I have referred constitute legislation on an appropriation bill, and a point of order can be made against either this amendment or against the bill itself.

I shall reserve my decision as to how I will raise the point of order until tomorrow. I had intended to make the point of order against only the amendment tonight, but tomorrow I may decide to expand it to the entire bill.

AMENDMENT OF ALASKA PUBLIC WORKS ACT

Mr. BARTLETT. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1756.

The PRESIDING OFFICER (Mr. BAYH in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1756) 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, which was, to strike out all after the enacting clause and insert:

That section 5 of the Alaska Public Works Act (63 Stat. 627, 628; 48 U.S.C. 486c) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof: "*Provided,* That notwithstanding the requirements of this sentence, or any other provision of law, the Secretary of the Interior is authorized to collect, or as he may determine to be justified by the special financial condition of the applicant or other unusual circumstances, to compromise or release any claim or obligation assigned to or held by him in connection with any such agreement until such time as such claim or obligation may be referred to the Attorney General for suit or collection: *Provided further,* That the Secretary may delegate to the head of any other department or agency of the United States any of his functions, powers and duties with respect to such collection, compromise, or release of claims or obligations as he may deem appropriate, and may authorize the redelegation of such functions, duties, and powers by the head of such department or agency."

Mr. BARTLETT. Mr. President, I have cleared this measure with the chairman of the Committee on Public Works [Mr. MCNAMARA] and with the ranking minority member of the committee.

I move that the Senate concur in the amendment of the House.

Mr. MUNDT. Mr. President, is the motion debatable?

The PRESIDING OFFICER. The motion is debatable.

SALE OF WHEAT TO COMMUNIST COUNTRIES

Mr. MUNDT. Mr. President, much confusion and uncertainty seem to have arisen among Members of the Senate concerning the amendment added to the foreign aid bill by the House of Representatives the night before last on a motion to recommit the proposed legislation for the purpose of adding an amendment which would prohibit the Export-Import Bank from granting extensions of credit or guaranteeing credits to Soviet countries.

I have been trying to respond all day to questions from Senators as to what is involved. I shall say a few words to set the record straight, because this proposal will be voted on sometime tomorrow.

First, I ask unanimous consent that the exact language of the amendment as adopted by the House be printed at this point in the RECORD.

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

On page 16, after line 24, insert the following paragraph:

"None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereinafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) 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."

Mr. MUNDT. Mr. President, because of cursory reading or careless reporting, some newspapers and wire services have referred to this proposal as an attempt to ban the shipments of wheat and corn. It bans the shipment of wheat and corn only insomuch as they are included in the destination of the end product.

I emphasize that the amendment is exactly the same as the amendment the Senate had before it on two different occasions: in the so-called Mundt amendment to the foreign aid authorization bill, and again when we took up a measure under a unanimous-consent agreement the day after the funeral of our late President.

This provision applies to the purchase of any product by a Communist country, and that purchase need not be in the United States. It relates to the prevention of attempts by some Communist countries to obtain American credit to purchase products elsewhere. It would eliminate that factor as well as eliminate the extension of credit for the purchase of products in the United States.

In the third place, I should like to call attention to the legislative manner in which this proposal will come before the Senate tomorrow. It will come before us, I presume, because some member of the Committee on Appropriations—presumably the acting chairman, the Senator from Rhode Island [Mr. PASTORE]—will move to delete from the House bill this amendment which is now a part of the bill. The amendment will not be offered by the senior Senator from South Dakota, because I am in favor of what the House has done. The action of the House will stand unless it is deleted.

For the first time in the three instances we have had the proposal before us, Senators will have an opportunity to vote for it or against it on the basis of its own merits. Until now, one motion to lay on the table was defeated, and one motion to lay on the table was agreed to; but both were motions designed to defer until some other time a decision as to whether we desire to subject the taxpayers to a potential loss by guaranteeing the credit of the United States.

Tomorrow will be the first time Senators will have an opportunity to express by a yea-and-nay vote, their attitude on the specific and sharp question of whether they desire to have the public credit of the United States extended to the Communist countries and the Communist dictators. So that will be a different vote on an aspect different from any we have had before us heretofore.

Several Senators have asked me where they can find the record as to what transpired before. I point out that on November 14 the Senate rejected the motion to lay on the table; the vote was 40 yeas and 46 nays. And on November 26 the Senate voted—with 57 yeas and 35 nays—to lay the bill on the table.

I ask unanimous consent that these two yea-and-nay votes be printed at this point in the RECORD.

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

[CONGRESSIONAL RECORD, Nov. 14, 1963, p. 21894]

The result was announced—yeas 40, nays 46, as follows (No. 237 Leg.):

Yeas—40: Aiken, Bartlett, Bible, Boggs, Brewster, Burdick, Byrd of West Virginia, Cannon, Carlson, Church, Clark, Eastland, Fulbright, Gore, Hart, Hayden, Hill, Humphrey, Inouye, Javits, Johnston, Kennedy, Mansfield, McCarthy, McGee, McNamara, Metcalf, Monroney, Moss, Muskie, Nelson, Pastore, Pell, Randolph, Saltonstall, Sparkman, Williams of New Jersey, Yarborough, Young of North Dakota, Young of Ohio.

Nays—46: Allott, Bayh, Beall, Bennett, Byrd of Virginia, Case, Cooper, Cotton, Dirksen, Dodd, Dominick, Douglas, Edmondson,

Ervin, Fong, Goldwater, Gruening, Hartke, Hickenlooper, Holland, Jordan of North Carolina, Jordan of Idaho, Keating, Kuchel, Lausche, Long of Missouri, McClellan, McIntyre, Mechem, Miller, Morse, Mundt, Pearson, Prouty, Proxmire, Ribicoff, Robertson, Russell, Scott, Simpson, Smith, Symington, Talmadge, Thurmond, Tower, Williams of Delaware.

Not voting—14: Anderson, Curtis, Ellender, Engle, Hruska, Jackson, Long of Louisiana, Magnuson, McGovern, Morton, Neuberger, Smathers, Stennis, Walters.

So the motion to table was rejected.

[CONGRESSIONAL RECORD, Nov. 26, 1963, p. 22766]

The result was announced—yeas 57, nays 35, as follows (No. 256 Leg.):

Yeas—57: Aiken, Anderson, Bartlett, Bayh, Bible, Boggs, Brewster, Burdick, Byrd of West Virginia, Cannon, Carlson, Case, Church, Clark, Ellender, Fulbright, Gore, Gruening, Hart, Hartke, Hayden, Humphrey, Inouye, Javits, Johnston, Jordan of North Carolina, Keating, Kennedy, Kuchel, Long of Missouri, Long of Louisiana, Magnuson, Mansfield, McCarthy, McGee, McGovern, McIntyre, McNamara, Metcalf, Monroney, Moss, Muskie, Nelson, Neuberger, Pastore, Pell, Randolph, Ribicoff, Saltonstall, Sparkman, Symington, Talmadge, Walters, Williams of New Jersey, Yarborough, Young of North Dakota, and Young of Ohio.

Nays—35: Allott, Beall, Bennett, Byrd of Virginia, Cooper, Cotton, Curtis, Dirksen, Dominick, Edmondson, Ervin, Fong, Goldwater, Hickenlooper, Holland, Hruska, Jackson, Jordan of Idaho, Lausche, Mechem, Miller, Morton, Mundt, Pearson, Prouty, Proxmire, Robertson, Russell, Scott, Simpson, Smith, Stennis, Thurmond, Tower, and Williams of Delaware.

Not voting—8: Dodd, Douglas, Eastland, Engle, Hill, McClellan, Morse, and Smathers.

So Mr. MANSFIELD'S motion to lay the bill (S. 2310) on the table was agreed to.

Mr. MUNDT. Mr. President, I also ask unanimous consent to have printed in the RECORD the vote taken on Monday in the House. It is to be found on page 24758 of the CONGRESSIONAL RECORD for December 16.

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

[CONGRESSIONAL RECORD, Dec. 16, 1963, p. 24757]

The Clerk will report the motion to recommit.

The Clerk read as follows:

"Mr. JENSEN moves to recommit the bill H.R. 9499 to the Committee on Appropriations with instructions to report the bill back forthwith with an amendment as follows: On page 16, after line 24, insert the following paragraph:

" 'None of the funds provided herein shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereinafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) 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.' "

The SPEAKER. The question is on the motion to recommit.

Mr. RHODES of Arizona. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 169, answered "present" 1, not voting 46, as follows:

(Roll No. 242)

Yeas—218: Abbitt, Abele, Abernethy, Adair, Addabbo, Alger, Anderson, Andrews of Alabama, Andrews of North Dakota, Arends, Ashbrook, Ashmore, Auchincloss, Ayres, Baker, Baldwin, Baring, Barry, Bates, Battin, Beermann, Bell, Bennett of Florida, Bennett of Michigan, Berry, Betts, Bolton, Frances P., Bolton, Oliver P., Bow, Brock, Bromwell, Broomfield, Brotzman, Brown of Ohio, Broyhill of North Carolina, Broyhill of Virginia, Bruce, Burleson, Burton, Byrnes of Wisconsin, Cahill, Carey, Casey, Chamberlain, Chenoweth, Clancy, Clausen, Don H., Clawson, Del, Cleveland, Collier, Colmer, Corbett, Cramer, Cunningham, Curtin, Curtis, Dague, Delaney, Derounian, Devine, Dole, Dorn, Dowdy, Downing, Dulski, Dwyer, Fallon, Feighan, Findley, Fino, Fisher, Ford, Foreman, Forrester, Fountain, Fulton of Pennsylvania, Fuqua, Gary, Gibbons, Glenn, Goodell, Goodling, Griffin, Gross, Grover, Gubser, Gurney, Hagen of California, Haley, Hall, Halleck, Halpern, Hardy, Harrison, Harsha, Harvey of Indiana, Harvey of Michigan, Hemphill, Herlong, Hoeven, Horan, Horton, Hosmer, Huddleston, Hull, Hutchinson, Ichord, Jarman, Jensen, Johansen, Johnson of Pennsylvania, Jonas, Jones of Missouri, Keith, Kilburn, Kilgore, King of New York, Knox, Kornegay, Kunkel, Kyl, Langen, Latta, Lennon, Lipscomb, Lloyd, Long of Louisiana, McClory, McCulloch, McDade, McIntire, McLoskey, McMillan, MacGregor, Marsh, Martin of California, Martin of Nebraska, Matthews, May, Meader, Michel, Minshall, Montoya, Moore, Morton, Mosher, Nelsen, Norblad, O'Brien of New York, O'Konski, Ostertag, Pelly, Pike, Pirnie, Poff, Pool, Quie, Quillen, Reid of Illinois, Reid of New York, Reifel, Rhodes of Arizona, Rich, Rivers of South Carolina, Roberts of Texas, Robison, Rogers of Florida, Rogers of Texas, Roudebush, Rumsfeld, St. George, Saylor, Schadeberg, Schenck, Schneebeli, Schweiker, Schwengel, Scott, Secrest, Selden, Senner, Shriver, Sibal, Sikes, Siler, Skubitz, Smith of California, Smith of Virginia, Snyder, Springer, Stafford, Stephens, Stinson, Taft, Talcott, Taylor, Teague of California, Teague of Texas, Thomson of Wisconsin, Tollefson, Tuck, Tuten, Utt, Waggonner, Wallhauser, Watson, Weaver, Westland, Whalley, Wharton, Whitener, Whitten, Widnall, Williams, Wilson of Indiana, Winstead, Wydler, Wyman.

Nays—169: Albert, Ashley, Aspinall, Barrett, Bass, Beckworth, Blatnik, Boggs, Boland, Bolling, Bonner, Brademas, Brooks, Brown of California, Buckley, Byrne of Pennsylvania, Cameron, Cannon, Celler, Chelf, Clark, Conte, Cooley, Corman, Daddario, Daniels, Davis of Georgia, Davis of Tennessee, Dawson, Dent, Denton, Diggs, Dingell, Donohue, Duncan, Edmondson, Edwards, Elliott, Everett, Farbstein, Fascell, Finnegan, Flood, Flynt, Fogarty, Fraser, Frelinghuysen, Friedel, Fulton of Tennessee, Gallagher, Garmatz, Gathings, Giaimo, Gilbert, Gill, Gonzalez, Grabowski, Gray, Green of Oregon, Hanna, Harding, Harris, Hawkins, Hays, Healey, Hechler, Holifield, Holland, Jennings, Joelson, Johnson of California, Johnson of Wisconsin, Jones of Alabama, Karsten, Karth, Kastenmeier, Kee, Kelly, King of California, Kirwan, Kluczynski, Lankford, Leggett, Lesinski, Libonati, Lindsay, Long of Maryland, McDowell, McFall, Macdonald, Madden, Mahon, Mailliard, Martin of Massachusetts, Mathias, Matsunaga, Miller of California, Mills, Minish, Monagan, Moorhead, Morgan, Morris, Morrison, Morse, Moss, Multer, Murphy of Illinois, Murray, Natcher, Nix, O'Hara of Illinois, O'Hara of Michigan, Olsen of Montana, Olson of Minnesota, O'Neill, Passman, Patman, Patten, Pepper, Perkins, Philbin, Poage, Powell, Price, Pucinski, Purcell, Randall, Reuss, Rhodes of Pennsylvania, Rivers of Alaska, Roberts of Alabama, Rodino, Rogers of Colorado, Rooney of New York, Rosenthal, Rostenkowski, Roybal, Ryan of Michigan, Ryan of New York, St Germain, St. Onge, Sheppard, Shipley, Sickles, Slack, Smith of Iowa, Staebler, Steed, Stratton, Stubblefield, Thomas, Thompson of Louisiana, Thompson of New Jersey, Thornberry, Toll, Udall, Van Deerlin, Vanik, Vinson, Watts, Weltner, White, Wickersham, Willis, Wilson, Charles H., Wright, Young, Zablocki.

Answered "present"—1: Keogh.

Not voting—46: Avery, Becker, Belcher, Bray, Burke, Burkhalter, Cederberg, Cohelan, Derwinski, Ellsworth, Evins, Grant, Green of Pennsylvania, Griffiths, Hagan of Georgia, Hansen, Hébert, Henderson, Hoffman, Laird, Landrum, Miller of New York, Milliken, Murphy of New York, Nedzi, O'Brien of Illinois, Osmers, Pilcher, Pillion, Rains, Riehlman, Rooney of Pennsylvania, Roosevelt, Roush, Shelley, Short, Sisk, Staggers, Sullivan, Thompson of Texas, Trimble, Tupper, Ullman, Van Pelt, Wilson, Bob, Younger.

So the motion to recommit was agreed to.

Mr. MUNDT. Mr. President, I also point out—I shall not debate the bill now, because time for that is reserved for tomorrow, with 1 hour to each side—that other aspects of credit are now being sought by the Communist nations, for purposes which have nothing, even remotely, to do with agricultural products—purposes ranging all the way from alcohol for the vodka the Russian Government wishes to provide for the citizens of Moscow to a new plea for an amount of credit which might run into billions of dollars, because Khrushchev has said he is desirous of establishing a $46 billion chemical industry in Russia, part of which will be used to produce fertilizers to be placed on Russian fields, to expand the Russian production of agricultural products—so Khrushchev says—twofold, and it may be threefold. If that happened, it would mean that the U.S. taxpayers would be providing Russia with credit with which to obtain fertilizers with which to increase the Russian production of agricultural commodities which Russia then would be able to export. I point out that if we were to vote to extend that credit, we would be voting to help to drive a new knife into the backs of the American producers of agricultural commodities.

Furthermore, part of that aid could be used by Russia to obtain materials for warfare, because militarism is still a part of the Communist creed.

Khrushchev has said he is willing to purchase these chemicals and materials from U.S. firms; he says he is willing to provide the U.S. shopkeepers with a profit. But he says he wants to make those purchases on credit issued by the U.S. Government. So, Mr. President, tomorrow the Senate will be dealing with that matter.

At this time I wish to attempt to straighten out the understanding of the legislative pattern. I believe the majority leader will not move, this time, that the motion be laid on the table.

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. MANSFIELD. They say the third time is the charm. On tomorrow, I will not move that the proposal be tabled.

Mr. MUNDT. Very well. Then, Mr. President, tomorrow we shall have a straightforward, up or down, adopt or reject, vote on the merits of the issue.

Mr. MANSFIELD. I have no choice.

Mr. MUNDT. So there will be no dodging; tomorrow, the issue will be this: Where do Senators stand—for or against the pledging of the honor and the credit of the taxpayers of the United States behind the Soviet Communist dictators who are trying to utilize the credit of the U.S. Government?

AMENDMENT OF ALASKA PUBLIC WORKS ACT

Mr. BARTLETT. Mr. President, I renew my motion that the Senate concur in the amendment of the House of Representatives to Senate bill 1756, 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.

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

The motion was agreed to.

HEARINGS ON AMENDMENT OF IMMIGRATION QUOTA SYSTEM

Mr. HART. Mr. President, those of us looking to serious consideration of proposals for the ultimate reform of this country's immigration legislation were gratified by the announcement by the distinguished chairman of the Judiciary Committee, the Senator from Mississippi [Mr. EASTLAND], that on January 13, 1964, hearings will be opened by the Immigration and Naturalization Subcommittee of the Judiciary Committee on two bills—Senate bill 1932, which reflects the recommendation by the late President Kennedy; and Senate bill 747, which was introduced by me prior to the immigration message of the late President Kennedy.

Two days of hearings—January 13 and January 14—will be conducted by the subcommittee. The purpose of the hearings will be to provide an opportunity for sponsors of pending immigration legislation to be heard. Later, there will be scheduled, I announce, hearings at which to hear from interested organizations and Government agencies—in addition, of course, to any persons or groups who may wish to oppose such proposed legislation.

I am delighted to know that this proposed legislation will get off to an early start in the next session. This will be the first time Congress has held hearings on our immigration policy since those on the Immigration Act of 1952. It is certainly time that we reconsidered our policy, in light of our new emphasis on the individual dignity of man.

Mr. President, I ask unanimous consent that a message sent by President Johnson to the American Committee for Italian Immigration, at its December 12 meeting in Chicago, be printed at this point in the RECORD.

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

DECEMBER 12, 1963.

I am pleased to extend through Senator DOUGLAS my best wishes to those attending the rally of the American Committee for Italian Migration. President Kennedy transmitted to the Congress legislation to revise and moderize our immigation laws. There is no consistency in an American policy that both recognizes equality among peoples and capriciously bars immigration from countries of southern Europe. Each person seeking admission to the United States should be judged on the basis of his personal qualities and skills and special consideration should be given to the reuniting of families.

LYNDON B. JOHNSON.

Mr. KEATING. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield.

Mr. KEATING. I commend the Senator from Michigan for the initiative in proceeding with these hearings; they are very important. As he knows, many of us have been attempting to obtain action in this field for many years. The hearings have now been scheduled; and I express the hope that at the next session we shall be able to pass a bill in this area which will be meaningful. Certainly there is an urgent need for action by the Congress in this field.

The bill sponsored by the distinguished Senator from Michigan, which I and a number of other Senators have joined in sponsoring is a fine vehicle for proceeding with these deliberations. It offers an excellent opportunity for meaningful reform of our immigration procedures.

Mr. DOUGLAS. Mr. President, on Sunday, I had the privilege of being the principal speaker at a very large mass meeting in Chicago, conducted by the committee on Italian immigration. It was attended by close to 5,000 persons. The sentiment in favor of Senate bill 1932 was strong; and resolutions— which later I shall ask to have printed in the RECORD—were adopted. I think there is no doubt that popular interest in support of this measure is rising very rapidly.

Mr. HART. And understanding is important.

Mr. DOUGLAS. It is.

Mr. HART. To eliminate it from the scare charges.

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

Mr. DOUGLAS. I yield.

JOHN FITZGERALD KENNEDY MEMORIAL CENTER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 765, Senate Joint Resolution 136.

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

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 136) to provide for the renaming of the National Cultural Center as the John Fitzgerald Kennedy Memorial Center, and authorizing an appropriation therefor.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Public Works, with an amendment, to strike out all after the resolving clause and insert:

Whereas the late John Fitzgerald Kennedy served with distinction as President of the United States, and as a Member of the Senate and House of Representatives; and

Whereas the late John Fitzgerald Kennedy dedicated his life to the advancement of the welfare of mankind; and

Whereas the late John Fitzgerald Kennedy was particularly devoted to the advancement of the performing arts within the United States; and

Whereas by his untimely death this Nation and the world has suffered a great loss; and

Whereas it is the sense of the Congress that it is only fitting and proper that a suitable monument be dedicated to the memory of this great leader; and

Whereas the living memorial to be named in his honor by this joint resolution shall be the national monument to his memory within the city of Washington and its environs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Cultural Center Act (Public Law 85-874; 72 Stat. 1698) is amended as follows:

(1) In section 1 by striking out "National Cultural Center Act" and inserting in lieu thereof "John F. Kennedy Center Act";

(2) By striking out "National Cultural Center" each place that it appears in such Act (including the title of such Act but excluding clauses (2) and (3) of subsection (b) of section 2 of such Act) and inserting in lieu thereof at each such place the following: "John F. Kennedy Center for the Performing Arts";

(3) In section 4—

(A) by striking out "and" at the end of paragraph (3),

(B) by striking out "Cultural Center." in paragraph (4) of section 4 of such Act and inserting in lieu thereof "John F. Kennedy Center for the Performing Arts,", and

(C) by adding at the end thereof the following:

"(5) provide within the John F. Kennedy Center for the Performing Arts a suitable memorial in honor of the late President."

(4) In subsection (c) of section 6 of such Act by inserting immediately after "Smithsonian Institution" the following: "and to Congress";

(5) By adding at the end of section 6 the following new subsection:

"(d) The Board shall transmit to Congress a detailed report of any memorial which it proposes to provide within the John F. Kennedy Center for the Performing Arts under authority of paragraph (5) of section 4 of this Act, and no such memorial shall be provided until the Board of Regents of the Smithsonian Institution shall have approved such memorial."; and

(6) By adding at the end thereof the following new sections:

"APPROPRIATIONS

"SEC. 8. There is hereby authorized to be appropriated to the Board for use in accordance with this Act, amounts which in the aggregate will equal gifts, bequests, and devises of money, securities, and other property, held by the Board under this Act, except that not to exceed $15,500,000 shall be appropriated pursuant to this section.

"BORROWING AUTHORITY

"SEC. 9. To finance necessary parking facilities for the Center, the Board may issue revenue bonds to the Secretary of the Treasury payable from revenues accruing to the Board. The total face value of all bonds so issued shall not be greater than $15,400,000. The interest payments on such bonds may be deferred with the approval of the Secretary of the Treasury but any interest payments so deferred shall themselves bear interest after June 30, 1972. Deferred interest may not be charged against the debt limitation of $15,400,000. Such obligations shall have maturities agreed upon by the Board and the Secretary of the Treasury but not in excess of fifty years. Such obligations

may be redeemable at the option of the Board before maturity in such manner as may be stipulated in such obligations, but the obligations thus redeemed shall not be refinanced by the Board. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on current marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligations of the Board. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Board to be issued under this section and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Board's obligations under this section.

"GIFTS TO UNITED STATES

"SEC. 10. The Secretary of the Treasury is authorized to accept on behalf of the United States any gift to the United States which he finds has been contributed in honor of or in memory of the late President John F. Kennedy and to pay the money to such appropriation or other accounts, including the appropriation accounts established pursuant to appropriations authorized by this Act, as in his judgment will best effectuate the intent of the donor.

"NATIONAL MEMORIAL

"SEC. 11. The John F. Kennedy Center for the Performing Arts, designated by this Act, shall be the national memorial to the late John Fitzgerald Kennedy within the city of Washington and its environs."

SEC. 2. In addition to the amendments made by the first section of this Act, any designation or reference to the National Cultural Center in any other law, map, regulation, document, record, or other paper of the United States shall be held to designate or refer to such Center as the John F. Kennedy Center for the Performing Arts.

The amendment was agreed to.

Mr. McNAMARA. Mr. President, the Senate Committee on Public Works held joint hearings with the House Committee on Public Works on this measure.

The language which has been substituted for the original text of Senate Joint Resolution 136 was worked out in discussions with the House committee and is virtually identical to the measure reported favorably by that committee on Tuesday.

On behalf of the Senate committee and the 51 Senate sponsors of this joint resolution, I urge favorable consideration.

Mr. President, Senate Joint Resolution 136, as amended, would provide for the renaming of the National Cultural Center as the John Fitzgerald Kennedy Center for the Performing Arts.

In addition, it would authorize a maximum Federal appropriation of $15.5 million to match dollar-for-dollar contributions collected by the board of trustees for construction of the Center superstructure.

Further, the amended joint resolution would provide borrowing authority not to exceed $15.4 million for the construction of parking facilities at the Center.

These are the major amendments made by the Senate Committee on Public Works in unanimously reporting the resolution to the Senate.

Mr. President, following the sudden and shocking death of President John F. Kennedy, there were many ideas proposed to memorialize our late leader.

It is noteworthy, I think, that a consensus of opinion quickly formed behind the proposal to name the new Cultural Center after the late President.

This was considered most appropriate due to the personal interest in the arts that President Kennedy demonstrated throughout his all-too-short tenure in our Nation's highest office.

This interest had focused in large measure on the proposed National Cultural Center, and he was instrumental in acquiring broad support for that project.

The fact that the Center was already well advanced seemed to make it a particularly appropriate answer to the many demands for a Kennedy memorial.

The proposed Center, as envisioned by this resolution, would be a lasting monument to the late President.

But it would be a living monument, one in almost constant use here in the Nation's Capital, where its benefits could be enjoyed by millions of residents and visitors.

And, certainly, it would contribute to the advancement of the arts so keenly desired by President Kennedy.

This proposal has the full endorsement of President Johnson and his administration.

In a letter addressed to me as chairman of the Senate committee, President Johnson wrote:

It seems to me that a center for the performing arts on the beautiful site selected would be one of the most appropriate memorials that a grateful Nation could establish to honor a man who had such deep and abiding convictions about the importance of cultural activities in our national life.

President Johnson also stated:

That the Federal Government should participate in this undertaking by providing funds to match the contributions which already have been made and will be made in the future by people throughout this Nation and the world is entirely fitting.

Mr. FULBRIGHT. Mr. President, I wish to express my appreciation to the distinguished chairman of the committee, the Senator from Michigan [Mr. MCNAMARA], for the way in which he has handled the proposed legislation. It has been expeditiously handled. I believe it is unprecedented. The joint meeting of the Committee on Public Works of the House and the committee of which the Senator from Michigan [Mr. MCNAMARA] is chairman has done an outstanding job in promoting the proposed legislation. I believe it is a wonderful step forward in the creation of this badly needed facility for our city. I wish to congratulate the Senator from Michigan for the way he has handled it. I believe it is now off the ground, and I am hopeful the Center will be built in our lifetime.

Mr. McNAMARA. I thank the Senator from Arkansas for his remarks.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The joint resolution is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

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

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, shall it pass?

The joint resolution (S.J. Res. 136) was passed.

Mr. McNAMARA. Mr. President, I move that the vote by which the joint resolution was agreed to be reconsidered.

Mr. KUCHEL and Mr. FULBRIGHT. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read: "Joint resolution providing for renaming the National Cultural Center as the John F. Kennedy Center for the Performing Arts, authorizing an appropriation therefor, and for other purposes."

The preamble was agreed to.

HEARINGS ON AMENDMENT OF IMMIGRATION QUOTA SYSTEM

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

Mr. DOUGLAS. I yield.

Mr. JAVITS. Mr. President, I should like to identify myself with the Senator from Illinois [Mr. DOUGLAS], the Senator from Michigan [Mr. HART], and the Senator from New York [Mr. KEATING] in the expectation of hearings on the immigration bill, of which I am also a cosponsor, and in which I am deeply interested, because I believe it is of major national importance.

I hail the advent of these hearings and shall participate in them. I congratulate the Senator from Michigan in working out the arrangements. It is a major public effort which I hope will come to fruition.

MAJOR LOOPHOLES AND TRUCKHOLES IN OUR TAX LAWS

Mr. DOUGLAS. Mr. President, over the past few weeks I have made a number of short speeches, usually at the end of the day, on some of the major loopholes and truckholes in our tax laws.

I first gave examples of 20 taxpayers with incomes of $500,000 or more per year who paid no taxes at all. Five of them had annual incomes of over $5 million. I then gave six examples of individual oil operators with incomes in excess of $1 million a year who paid either no taxes or a very small proportion of their income in taxes.

On Friday of last week I gave examples from Fortune magazine of the large oil companies in the country and the estimated depletion allowances which they take per year.

Over the years I have also been collecting some facts and figures on the taxes paid, on the whole, by the smaller oil and gas producing companies. I have collected figures on some 28 companies of the amount they have paid in income taxes and the percentage these taxes were of their income before taxes. These figures run back to 1945, and therefore cover a span of 18 years.

We all know that since World War II corporate taxes have been in the neighborhood of 47 to 52 percent of net profits. However, the oil and gas companies have paid taxes at a much lower rate compared with the other corporations.

The companies for which I have collected records are, on the whole, smaller companies and entirely producing companies. It has been difficult in the past to distinguish the income the integrated companies receive from the production of oil and gas, from the income they also receive from refining, distribution, and other activities. But Fortune magazine overcame that difficulty last spring in their April issue and published their results a few days ago.

I am calling these 28 companies company A, company B, company C, and so forth. I want to make it clear in all probability that they have done nothing illegal, and since it is the principle that I want to talk about, I do not want to condemn them as companies. So, while this information is in the public domain and is readily available to anyone who wants to go to Moody's Manual, I have nonetheless on principle referred to them anonymously. I want to condemn the sin, not the sinner. These companies are merely taking what the law allows them to take, and so I do not want to go after them individually.

However, I do know the names of these companies and if anyone has any doubts about the authenticity of the figures, I will supply them with the code which identifies the company. I prefer, however, not to do so unless I am challenged on their authenticity by a fellow Senator, or by the public.

My purpose is, then, to illustrate the effects of the great many legal tax avoidance provisions of the code which result in the very low percentage of taxes which these companies actually pay.

HOW IT IS DONE

There are several provisions in the tax law which makes it possible for these companies to pay such a low percentage of their income in income taxes. The first is the notorious percentage depletion allowance of 27½ percent of gross income up to 50 percent of net income. This provision is in addition to ordinary depreciation and other legitimate expenses of a business which can properly be deducted, and it is in addition to the writeoffs for dry holes or losses which are, of course, proper deductions.

However, percentage depletion runs in perpetuity as long as the oil well is producing and the costs of the oil wells are often recovered 5, 10, 15, and even 20 or more times.

The second method by which oil and gas companies pay such low taxes is what is called the intangible drilling and development cost deduction. If an ordinary corporation builds a building or buys machinery, or makes an investment, the cost of the investment is generally depreciated over the life of the property—usually 20 years.

The labor costs, the power costs, the raw material costs, the bricks and mortar, and all the ingredients which go into producing an asset are capitalized and depreciated over time.

But in the case of the oil industry, from 70 to 90 percent of these costs, which in other industries could only be recovered over the life of the property, are written off or "expensed"—as it is put—in the first year.

The third method by which the oil and gas industry is able to pay such low income taxes is the 14-point Western Hemisphere deduction. Even after all these other deductions are taken and the taxable income is arrived at, if the property is located in Venezuela, or Canada, or Mexico, or some other Western Hemisphere country, instead of paying a tax of 52 percent on what remains, a tax of only 38 percent is applied.

This is not unique to the oil industry, but they are one of the biggest users of this special tax privilege.

A fourth method by which the oil companies pay such small taxes is the fact that payments of royalties abroad are allowed to be offset against the actual taxes owed at home by the corporation. In other words, payments to a Middle Eastern potentate—a sheik, a king, a ruler—in the form of royalties, and which most businesses making similar kinds of payments would merely be allowed to deduct as an ordinary expense, are called taxes and reduce dollar for dollar the amount of taxes which the company would otherwise owe.

There are, of course, other provisions in the tax laws which also help to bring these results which are not necessarily unique to the oil industry, such as the various capital gains provisions in the tax law, the loss carryover provision, and so forth.

Mr. President, I ask unanimous consent that the tabulations of these 28 companies be printed at this point in the RECORD.

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

Income taxes paid by 28 oil and gas companies

COMPANY A

[Data through 1962, if available]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$34,804,282	$1,294,000	$33,510,282	3.72
1961	28,824,114	250,000	28,574,114	.87
1960	27,768,929	200,000	27,568,929	.72
1959	24,122,835	100,000	24,022,835	.41
1958	23,270,135	785,000	22,485,135	3.37
1957	35,208,979	5,260,000	29,948,979	14.94
1956	29,523,395	3,024,000	26,499,395	10.24
1955	28,143,673	2,780,000	25,363,673	9.88
1954	21,029,684	1,252,000	19,777,648	5.95
1953	18,812,590	367,000	18,445,590	1.95
1952	16,550,361	654,000	15,896,361	3.95
1951	17,369,652	1,073,000	16,296,652	6.17
1950	18,467,607	3,068,000	15,399,607	16.61
1949	14,759,193	375,000	14,384,193	2.54
1948	27,367,252	4,725,000	22,642,252	17.27
1947	17,749,626	2,830,000	14,919,626	15.94
1946	10,130,975	1,275,000	8,855,975	12.59
1945	5,611,770	215,000	5,396,770	3.83

NOTE.—"Income taxes" also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY B

[Liquidated Apr. 1, 1961]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	(1)	(1)	(1)	(1)
1959	$7,799,592	$915,000	$6,884,592	11.73
1958	4,371,094	525,000	3,846,094	12.01
1957	5,392,505	150,000	5,242,505	2.78
1956	6,975,382	1,095,000	5,880,382	15.70
1955	5,975,382	485,000	4,965,220	9.90
1954	3,291,733	38,172	3,253,561	1.16
1953	5,594,074	1,552,500	4,441,574	27.75
1952	4,436,030	669,500	3,766,530	15.09
1951	5,561,770	714,880	4,846,890	12.85
1950	5,709,537	1,023,900	4,685,637	17.93
1949	3,259,928	163,040	3,096,888	5.00
1948	6,295,858	898,900	5,396,958	14.28
1947	4,011,073	1,023,126	2,987,947	25.51
1946	2,089,932	417,000	1,672,932	19.95
1945	2,321,605	205,908	2,115,697	8.87

[1] Not available.

NOTE.—"Income taxes" may also include State and/or foreign taxes.

COMPANY C

[Acquired by company B-Z, Dec. 22, 1961]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	$5,548,693	$658,022	$4,890,671	11.86
1959	4,378,649	1,061	4,377,588	.02
1958	5,402,894	481,413	4,921,481	8.91
1957	5,561,652	640,635	4,921,017	11.52
1956	4,770,495	261,837	4,508,658	5.49
1955	4,826,687	417,388	4,409,299	8.65
1954	4,625,759	336,889	4,288,870	7.28
1953	4,391,404	179,114	4,212,290	4.08
1952	3,588,107	91,660	3,496,447	2.55
1951	3,934,107	399,397	3,534,710	10.15
1950	3,696,584	847,072	2,849,412	22.91
1949	3,373,448	679,553	2,693,895	20.14
1948	4,542,842	982,540	3,560,302	21.63
1947	2,284,109	529,781	1,754,328	23.19
1946	161,816	212	161,604	.13
1945	33,895	256	33,639	.76

NOTE.—"Income taxes" may also include State and/or oreign taxes.

COMPANY D

[Sold and liquidated]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	($623,758)	0	($623,758)	--------
1959	(35,226)	[1] ($20,347)	(14,879)	--------
1958	156,130	0	156,130	0
1957	271,515	5,000	266,515	1.84
1956	472,556	35,000	437,556	7.41
1955	549,093	15,000	534,093	2.73
1954	309,405	--------	309,405	--------
1953	303,453	11,332	292,121	3.73
1952	159,084	25,686	133,398	16.15
1951	415,948	8,234	407,714	1.98
1950	277,514	1,500	276,014	.54
1949	177,187	1,000	176,187	.56
1948	526,061	35,000	491,061	6.65
1947	399,643	52,000	347,643	13.01
1946	139,923	1,000	138,923	.71
1945	140,101	1,500	138,601	1.07

[1] Credit.

NOTE.—"Income taxes" may also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY E

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$12,040,753	$2,350,000	$9,690,753	19.52
1961	11,794,460	2,500,000	9,294,460	21.20
1960	11,156,510	2,000,000	9,156,510	17.93
1959	9,497,890	950,000	8,547,890	10.00
1958	8,108,706	800,000	7,308,706	9.87
1957	11,303,747	1,600,000	9,703,747	14.15
1956	11,379,241	1,900,000	9,479,241	16.69
1955	8,509,136	1,500,000	7,009,136	17.63
1954	5,320,750	----------	5,320,750	----------
1953	6,420,968	1,048,000	5,372,968	16.32
1952	5,601,723	1,400,000	4,201,723	24.50
1951	5,866,052	2,000,000	3,866,052	34.09
1950	4,951,476	1,500,000	3,451,476	30.29
1949	4,928,459	1,020,000	3,908,459	20.70
1948	5,766,543	960,000	4,806,543	16.65
1947	3,650,374	600,000	3,050,374	16.44
1946	3,248,813	200,000	3,048,813	6.16

NOTE.—"Income taxes" include Federal taxes only.

COMPANY F

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$69,483,631	$407,000	$69,076,631	0.59
1961	67,544,853	3,018,000	64,526,853	4.47
1960	70,832,501	9,600,000	61,232,501	13.55
1959	78,177,550	17,905,500	60,272,050	22.90
1958	54,865,371	7,400,000	47,465,371	13.49
1957	51,273,749	4,550,000	46,723,749	8.87
1956	67,517,000	15,700,000	51,817,000	23.25
1955	55,259,000	9,900,000	46,359,000	17.60
1954	50,383,000	8,700,000	41,683,000	17.27
1953	55,775,000	14,900,000	40,875,000	26.71
1952	52,488,000	14,400,000	38,088,000	27.43
1951	58,593,000	17,300,000	41,293,000	29.53
1950	57,407,000	15,000,000	42,407,000	26.13
1949	46,487,000	10,390,000	36,097,000	22.35
1948	74,080,000	19,863,000	54,217,000	26.81
1947	40,655,000	9,298,000	31,357,000	22.87
1946	22,599,000	3,585,000	19,014,000	15.86
1945	16,371,700	1,228,000	15,143,000	7.50

NOTE.—"Income taxes" include Federal taxes only.

COMPANY G

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$1,134,525	$313,524	$821,001	27.63
1961	1,408,071	624,112	783,959	44.32
1960	850,517	85,000	774,517	9.89
1959	865,330	105,000	760,330	12.13
1958	804,716	50,000	754,716	6.21
1957	1,167,546	115,000	1,052,546	9.85
1956	560,753	----------	560,753	----------
1955	832,765	----------	832,765	----------
1954	785,624	----------	785,624	----------
1953	730,699	----------	730,699	----------
1952	968,287	69,022	899,265	7.13
1951	935,134	137,220	797,914	14.67
1950	892,552	147,275	745,277	16.50
1949	969,991	204,860	765,131	21.12
1948	872,719	150,367	722,352	17.23
1947	654,922	160,452	494,470	24.45
1946	471,923	135,664	336,259	28.75
1945	461,448	180,808	280,640	39.18

NOTE.—"Income taxes" may also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY H

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$1,902,482	0	$1,902,482	0
1961	1,784,566	[1] ($120,000)	1,904,566	----------
1960	2,021,545	55,000	1,966,545	2.72
1959	2,022,351	30,000	1,992,351	1.48
1958	1,760,794	0	1,760,794	0
1957	2,176,226	160,000	2,016,226	7.35
1956	2,647,058	93,000	2,554,058	3.51
1955	1,994,072	86,000	1,908,072	4.31
1954	2,276,415	238,329	2,038,086	10.47
1953	1,899,343	156,039	1,743,304	8.22
1952	1,998,758	370,291	1,628,467	18.53
1951	1,992,234	411,166	1,581,068	20.64
1950	1,270,271	72,843	1,197,428	5.73

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

COMPANY I

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$6,633,096	$107,906	$6,525,190	1.63
1961	4,166,438	64,355	4,102,083	1.54
1960	2,260,728	65,000	2,195,728	2.88
1959	6,696,047	40,000	6,656,047	.60
1958 [1]	7,076,455	[2] (23,352)	7,099,807	----------
1957	9,079,022	[2] (5,860)	9,084,882	----------
1956	8,886,172	151,000	8,735,172	1.69
1955	8,106,746	429,075	7,677,671	5.29
1954	6,769,145	196,335	6,572,810	2.90
1953	5,414,053	26,156	5,387,897	.48
1952	5,067,243	410,539	4,656,704	8.10
1951	4,477,673	404	4,477,269	.01
1950	3,456,001	202,087	3,253,914	5.85
1949	2,949,585	72,628	2,876,957	2.46
1948	2,774,079	201,176	2,572,903	7.25
1947	3,172,001	504,487	2,667,514	15.90
1946	755,220	258,488	496,732	34.23
1945	102,860	65,966	368,946	64.13

[1] 12 months ended June 30.
[2] Credit.

NOTE.—In total analysis 1956 equals 1957 on this company, etc. "Income taxes" may also include State and/or Federal taxes.

COMPANY J

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$2,556,000	0	$2,556,000	0
1961	3,176,000	$25,000	3,151,000	.79
1960	1,816,000	[1] (400,000)	2,216,000	----------
1959	3,517,000	150,000	3,367,000	4.26
1958	2,950,700	90,000	2,860,700	3.05
1957	3,154,900	20,000	3,134,900	.63
1956	3,168,549	75,000	3,093,549	2.37
1955	3,656,274	150,000	3,506,274	4.10
1954	3,370,162	360,000	3,210,162	10.08
1953	3,363,964	500,000	2,863,964	14.86
1952	2,561,162	267,461	2,293,701	10.44
1951	3,971,370	965,230	3,006,140	24.30
1950	2,302,729	519,263	1,783,466	22.55
1949	1,551,586	104,000	1,447,586	6.70
1948	1,344,021	150,000	1,194,021	11.16
1947	1,230,364	50,000	730,364	4.06
1946	409,171	----------	409,171	----------
1945	328,260	----------	328,260	----------

[1] Credit.

NOTE.—"Income taxes" may also include State and/or Federal taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY K

[Assets sold in October 1961]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	$12,062,758	$1,700,000	$10,362,758	14.09
1959	14,594,387	1,700,000	12,894,387	11.65
1958	14,145,331	2,300,000	11,845,331	16.26
1957	17,938,378	3,400,000	14,538,378	18.95
1956	16,316,268	2,500,000	13,816,268	15.32
1955	15,599,264	1,900,000	13,699,264	12.18
1954	11,541,464	1,278,154	10,263,310	10.01
1953	11,762,519	1,590,080	10,172,439	13.52
1952	9,218,224	1,875,000	7,343,224	20.34
1951	10,327,002	2,400,000	7,927,002	23.24
1950	8,723,484	2,000,000	6,723,484	22.93
1949	8,716,231	1,800,000	6,916,231	20.65
1948	17,245,547	4,000,000	13,245,547	23.19
1947	9,301,386	2,300,000	7,001,386	24.73
1946	5,321,560	1,010,000	4,311,560	18.98
1945	4,235,097	257,000	3,978,097	6.07

Note.—"Income taxes" include Federal taxes only.

COMPANY L

[Liquidated Apr. 11, 1957]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1954	$7,762,785	$1,275,000	$6,487,785	16.42
1953	8,494,844	1,785,000	6,709,844	21.01
1952	7,844,057	1,500,000	6,344,057	19.12
1951	8,553,640	1,500,000	7,053,640	17.54
1950	8,086,702	1,983,000	6,103,702	24.52
1949	7,805,345	1,900,000	5,905,345	24.34
1948	7,512,733	1,726,006	5,786,727	22.97
1947	7,667,536	1,575,000	6,092,536	20.54
1946	5,146,094	1,100,000	4,046,094	21.38
1945	3,209,359	831,500	2,377,859	25.91
1944	3,519,208	1,068,760	2,450,448	30.37

COMPANY M

[Merged on Dec. 1, 1959; the following data are for parent company and include Company M]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$848,903,000	$8,000,000	$840,903,000	0.94
1961	814,083,000	56,000,000	758,083,000	6.88
1960	735,573,000	47,000,000	688,573,000	6.39
1959	708,778,000	79,000,000	629,778,000	11.15
1958	573,475,000	11,000,000	562,475,000	1.92
1957	857,178,000	52,000,000	805,178,000	6.07
1956	925,534,919	117,000,000	808,534,919	12.64
1955	824,309,992	115,000,000	709,309,992	13.95
1954	680,793,158	96,000,000	584,793,158	14.10
1953	714,825,969	162,000,000	552,825,969	22.66
1952	653,981,109	134,000,000	519,981,109	20.49
1951	695,460,779	167,000,000	528,460,779	24.01
1950	501,223,223	93,000,000	408,223,223	18.55
1949	316,869,501	48,000,000	268,869,501	15.15
1948	452,604,976	87,000,000	365,604,976	19.22
1947	327,626,580	59,000,000	268,626,580	18.01
1946	201,609,931	24,000,000	177,609,931	11.90
1945	179,156,196	25,000,000	154,156,196	13.95

NOTE.—"Income taxes" include Federal taxes only.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY M

[Before merger]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1958	$512,543,223	$16,000,000	$136,543,223	10.49
1957	192,910,393	17,000,000	175,910,393	8.81
1956	212,961,000	34,000,000	178,961,000	15.97
1955	215,997,000	41,000,000	174,997,000	18.98
1954	174,803,000	28,500,000	146,303,000	16.30
1953	207,757,854	43,500,000	164,257,854	20.94
1952	175,792,000	30,500,000	145,292,000	14.68
1951	220,981,000	51,500,000	169,481,000	23.30
1950	161,360,000	32,000,000	129,360,000	19.83
1949	138,480,000	18,000,000	120,480,000	13.00
1948	240,069,000	54,000,000	186,069,000	22.49
1947	153,207,000	29,100,000	124,107,000	18.99
1946	79,332,000	7,500,000	71,832,000	9.45
1945	80,395,000	9,500,000	70,895,000	11.82

COMPANY N

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$19,507,764	$2,473,500	$17,034,264	12.68
1961	21,464,125	4,461,000	17,003,125	20.78
1960	10,600,457	3,313,000	7,287,457	31.25
1959	6,548,745	675,415	5,873,330	10.31
1958	5,378,973	0	5,378,973	0
1957	7,972,558	1,727,910	6,244,648	21.67
1956	5,378,994	699,000	4,679,994	13.00
1955	2,502,867	18,000	2,484,867	.72
1954	1,603,682	23,923	1,579,759	1.49
1953	3,077,447	4,724	3,072,723	.15
1952	2,334,532	99,844	2,234,688	4.28
1951	1,209,045	31,250	1,177,795	2.58
1950	282,202	49,750	232,452	17.63
1949	1,225,576	6,949	1,218,627	.57
1948	1,395,517	29,053	1,366,464	2.08
1947	359,903	15,000	344,903	4.17
1946	[2] 106,098	200	[2] 106,298	
1945	1,537,551	406,500	1,131,051	26.44

[1] 12 months ended June 30.
[2] Deficit.

NOTE.—In total analysis, 1956=1957 on this company, etc. "Income taxes" also include State and foreign taxes.

COMPANY O

[Merged July 31, 1959]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	
1957	$1,573,165		$1,573,165	
1956	1,034,094	(2)	1,034,094	
1955	1,006,718	(2)	1,006,718	
1954	1,690,567	$42,130	1,648,437	2.49
1953	1,873,226	50,000	1,823,226	2.67
1952	1,502,077	40,000	1,462,077	2.66
1951	2,714,277	30,000	2,684,227	1.11
1950	2,692,947	40,000	2,652,947	1.49
1949	3,382,140	42,323	3,382,140	1.25
1948	4,236,057	348,900	3,887,157	8.24
1947	1,517,480	48,919	1,468,561	3.22
1946 [3]	689,609	10,241	679,368	1.52
1945 [3]	664,526	4,103	660,423	.62
1954 [3]	2,205,837	42,130	2,163,707	1.91
1953 [3]	2,600,271	50,000	2,550,271	1.92
1952 [3]	2,202,835	40,000	2,162,835	1.81
1951 [3]	2,623,191	30,000	2,593,191	1.14
1950 [3]	3,744,852	40,000	3,704,852	1.01
1949 [3]	4,158,672	42,322	4,116,350	1.00
1948 [3]	4,353,435	348,900	4,004,535	8.01

[1] Not available.
[2] Not reported.
[3] Figures for 1954–48 restated as result of revision of estimates of recoverable oil and gas reserves.

NOTE.—Company O felt not liable for Federal income tax in this period.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY P

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$6,137,672	$470,000	$5,667,672	7.66
1961	6,209,027	470,000	5,739,027	7.57
1960	6,449,358	610,000	5,839,358	9.46
1959	6,407,498	590,000	5,817,498	9.21
1958	6,235,363	470,000	5,765,363	7.54
1957	6,611,110	660,000	5,951,110	9.98
1956	6,277,997	478,000	5,799,997	7.61
1955	6,211,916	470,000	5,741,916	7.56
1954	6,209,385	470,000	5,739,385	7.57
1953	6,761,834	515,000	6,246,834	7.62
1952	7,023,582	540,000	6,483,582	7.69
1951	7,008,444	535,000	6,473,444	7.63
1950	6,616,103	415,000	6,201,103	6.27
1949	4,940,029	270,000	4,670,029	5.47
1948	5,679,055	333,000	5,346,055	5.86
1947	2,827,824	159,000	2,668,824	5.62
1946	2,532,718	151,000	2,381,718	5.96
1945	2,522,301	157,075	2,365,226	6.23

NOTE.—"Income taxes" include Federal taxes only.

COMPANY Q

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$24,216,327	$7,380,000	$16,836,327	30.48
1961	19,967,835	6,037,000	13,939,835	30.22
1960	15,026,655	4,205,000	10,821,655	27.98
1959	14,236,083	3,575,000	10,661,083	25.11
1958	16,144,274	3,271,000	12,873,274	20.26
1957	19,137,735	4,500,000	14,637,735	23.51
1956	10,590,947	2,703,000	7,887,947	25.52
1955	13,034,071	1,852,000	11,182,071	14.21
1954	14,484,813	1,967,000	12,517,813	13.58
1953	12,815,586	1,143,000	11,672,586	8.92
1952	9,570,934	602,000	8,968,934	6.29
1951	8,190,680	385,000	7,805,680	4.70
1950	6,263,638	400,000	5,863,638	6.39
1949	5,183,830	210,000	4,973,830	4.05
1948	7,713,057	407,623	7,305,434	5.28
1947	3,896,936	85,000	3,811,936	2.02
1946	1,614,888	65,000	1,549,888	4.02
1945	997,075	40,000	957,075	4.01

NOTE.—"Income taxes" also include State and/or for eign taxes.

COMPANY R

[In process of liquidation]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	($2,845,711)	[1] ($400,000)	($2,445,711)	
1959	1,644,843	[1] (540,900)	2,185,743	
1958	3,620,312	[1] (968,000)	4,588,312	
1957	6,908,969	882,000	6,026,969	12.77
1956	10,595,588	2,640,000	7,955,588	24.92
1955	8,052,718	1,164,559	6,888,159	14.46
1954	8,395,561	1,636,500	6,759,061	19.49
1953	11,536,428	3,477,350	8,059,078	30.14
1952	13,532,095	3,884,000	9,648,095	28.70
1951	14,940,795	4,645,000	10,295,795	30.11
1950	10,850,226	2,351,801	8,498,425	21.68
1949	6,470,610	299,023	6,171,587	4.62
1948	8,229,656	1,635,000	6,594,656	19.87
1947	4,773,864	576,444	4,197,420	12.07
1946	2,475,239	370,000	2,105,239	14.95
1945	1,983,259	252,500	1,730,759	10.27

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY S

[Assets sold to major company and 4 other companies in December 1961. In liquidation]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1960	$6,379,492	$675,000	$5,704,492	10.58
1959	4,318,985	250,000	4,068,985	5.79
1958 [1]	3,337,324	[2] 236,642	3,100,682	7.09
1957 [1]	4,712,841	330,000	4,382,841	7.00
1957	4,712,841	330,000	4,382,841	7.02
1956	4,060,798	260,000	3,800,798	6.40
1955	4,284,521	220,000	4,064,521	5.13
1954	5,241,179	43,000	5,198,179	.82
1953	5,525,948	583,000	4,942,948	10.55
1952	5,618,762	1,425,000	4,193,762	25.36
1951	5,280,578	964,000	4,316,578	18.26
1950	2,944,322	191,000	2,753,322	6.49
1949	4,736,153	342,000	4,394,153	7.22
1948	4,213,001	266,000	3,947,001	6.31
1947	3,200,034	160,000	3,040,034	4.99
1946	1,809,404	30,000	1,779,404	1.66

[1] 12 months ended June 30.
[2] Includes credit of $171,642 prior years' tax adjustment.

NOTE.—In total analysis 1956=1957 for his company, etc. "Income taxes" may also include State and/or foreign taxes.

COMPANY T

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	($571,641)	0	($571,641)	
1961	(89,095)	0	(89,095)	
1960	425,933	0	425,933	0
1959	515,400	[1] ($86,814)	602,214	
1958	1,011,165	[1] (235,320)	1,246,485	
1957	701,822	0	701,822	0
1956	949,659	138,000	811,659	14.53
1955	1,385,335	185,000	1,200,335	13.35
1954	542,208	2,500	539,708	4.61
1953	408,107		408,107	
1952	431,569		431,569	
1951	273,473		273,473	
1950	183,116	5,000	178,116	2.73
1949	[1] 6,000		[1] 6,000	

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

COMPANY U

[Acquired by major company in June 1958]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	
1957	$11,719,324	$560,482	$11,158,842	4.78
1956	9,568,842	200,000	9,368,842	2.09
1955 [2]	9,340,810	900,000	8,440,810	9.64
1954	7,805,307	335,000	7,470,307	4.29
1953	7,140,132	600,000	6,540,132	8.40
1952	7,715,591	1,000,000	6,715,591	12.96
1951	10,239,600	2,900,000	7,396,000	28.32
1950	7,659,000	1,200,000	6,459,000	15.67
1949	6,656,347	875,000	5,781,347	13.15
1948	9,030,713	2,250,000	6,780,713	24.91
1947	7,191,002	1,250,000	5,941,002	17.38
1946	3,400,586	400,000	3,000,586	11.76

[1] Not available.
[2] Restated to conform with accounting practice effective Jan. 1, 1956—method of charging intangible development costs was changed. 1956 net income would have been $1,470,000 less without such change.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY V

[In liquidation]

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1954	$4,173,767	----------	$4,173,767	--------
1953	3,951,367	$350,000	3,601,367	8.86
1952	4,414,623	660,000	3,754,623	14.95
1951	3,112,871	----------	3,112,871	--------
1950	1,904,836	526,000	1,378,836	27.61
1949	[1] 592,448	7,500	584,948	1.26
1948	461,640	2,400	459,240	.52
1947	416,506	4,100	512,406	.98
1946	328,052	11,282	316,770	3.44
1946 [2]	176,841	5,250	171,591	2.97
1945 [2]	298,539	6,127	287,412	2.0

[1] Before $653,408 loss on wells abandoned.
[2] 12 months ended Apr. 30. In 1946, the company changed to a calendar year basis, so 1946 taxes are shown both ways.

COMPANY W

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$23,311,467	$2,496,407	$20,815,060	10.71
1961	26,423,774	5,298,305	21,125,469	20.05
1960	21,478,712	[1] (123,194)	21,601,906	--------
1959	20,164,080	808,150	19,355,930	4.01
1958 [2]	16,726,337	[3] 175,000	16,551,337	1.05
1957 [2]	18,877,389	0	18,877,389	0
1957	18,877,389	----------	18,877,389	--------
1956	5,040,752	----------	[4] 5,040,752	--------
1956 [5]	([6])	----------	([6])	--------
1955	3,395,446	----------	3,395,446	--------
1954	10,260,388	[1] 100,000	10,360,388	([7])
1953	11,500,382	[1] 500,000	12,000,382	([7])
1952	12,100,165	200,000	11,900,165	1.65
1951	15,195,639	1,900,000	13,295,639	12.03
1950	7,128,542	200,000	6,928,542	2.81
1949	7,483,443	200,000	7,283,443	2.67
1948	17,917,474	3,000,000	14,917,474	16.74
1947	5,266,897	400,000	4,866,897	7.59
1946	1,844,156	----------	1,844,156	--------
1945	5,422,254	450,000	4,972,254	8.29

[1] Credit.
[2] 12 months ended Aug. 31.
[3] Foreign income taxes.
[4] Same for both consolidated and company only.
[5] Consolidated.
[6] Same.
[7] Credit taxes.

NOTE.—In total analysis, 1956=1957 on this company, etc. "Income taxes" also include State and/or foreign taxes.

COMPANY X

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$7,152,966	$844,864	$6,308,102	11.81
1961	7,696,827	1,626,142	6,070,685	21.13
1960	5,972,614	1,272,698	4,699,916	21.31
1959	5,194,877	1,006,024	4,188,853	19.37
1958	4,642,978	670,023	3,972,955	14.43
1957	7,670,654	840,709	6,829,945	10.96
1956	6,057,708	400,000	5,657,708	6.60
1955	6,720,029	400,000	6,320,029	5.95
1954	5,245,527	----------	5,245,527	--------
1953	4,470,659	240,000	4,230,659	5.37
1952	3,635,498	450,000	3,185,498	12.38
1951	3,702,765	550,000	3,152,765	14.85
1950	3,770,706	696,200	3,047,506	18.46
1949	4,022,266	640,907	3,381,359	15.93
1948	4,731,952	901,906	3,830,046	19.06
1947	2,940,750	597,621	2,343,129	20.32
1946	1,394,512	163,973	1,230,539	11.75
1945	666,557	----------	666,557	--------

NOTE.—"Income taxes" may also include State and/or foreign taxes.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY Y

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$7,805,736	[1] ($105,074)	$7,910,810	--------
1961	7,272,890	[1] (534,557)	7,807,447	--------
1960	7,664,892	[1] (113,002)	7,777,894	--------
1959	7,196,561	0	7,196,561	0
1958	6,231,481	0	6,231,481	0
1957	7,802,218	570,000	7,232,218	7.31
1956	7,859,694	650,000	7,209,694	8.27
1955	8,449,374	500,000	7,949,374	5.92
1954	8,256,034	400,000	7,856,034	4.85
1953	8,874,068	1,275,000	7,599,068	14.37
1952	8,101,335	1,255,000	6,846,335	15.49
1951	8,009,124	1,185,000	6,824,124	14.79
1950	7,047,367	1,050,000	5,997,367	14.89
1949	7,048,753	710,000	6,338,753	10.07
1948	9,186,038	1,725,000	7,461,038	18.78
1947	4,883,907	760,000	4,123,907	15.56
1946	2,428,249	315,000	2,113,249	12.97
1945	1,934,850	175,000	1,759,850	9.04

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

COMPANY Z

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$3,040,880	0	$3,040,880	0
1961	2,841,243	0	2,841,243	0
1960	1,040,237	0	1,040,237	0
1959	2,379,129	0	2,379,129	0
1958	2,065,816	0	2,065,816	0
1957	2,215,290	0	[1] 2,215,290	0
1956 [2]	746,447	----------	746,447	--------
1956 [3]	1,602,988	----------	1,602,988	--------
1955	1,262,177	----------	1,262,177	--------
1954	1,720,086	----------	1,720,086	--------
1953	1,608,988	----------	1,058,988	--------
1952	1,547,048	----------	1,547,048	--------
1951	703,747	----------	703,747	--------
1950	151,488	----------	151,488	--------
1949	154,707	----------	154,707	--------
1948	134,881	----------	134,881	--------

[1] Adjusted.
[2] 7 months ending Dec. 31.
[3] In totals analysis, May 31 ending years used.

NOTE.—Years end May 31 prior to 1957. "Income taxes" include Federal taxes only.

COMPANY A–Z

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$1,222,633	0	$1,222,633	0
1961	880,515	0	880,515	0
1960	839,556	0	839,556	0
1959	982,552	0	982,552	0
1958	909,982	0	909,982	0
1957	891,025	0	891,025	0
1956	783,082	----------	783,082	--------
1955	981,994	----------	981,994	--------
1954	647,516	----------	647,516	--------
1953	1,008,416	$80,000	928,416	7.93
1952	768,664	----------	768,664	--------
1951	1,143,004	283,000	860,004	24.76
1950	969,156	264,774	704,382	27.32
1949	394,227	----------	394,227	--------
1948	874,306	173,000	701,306	19.79
1947	655,289	73,000	582,289	11.14
1946	227,789	----------	227,789	--------
1945	322,232	----------	332,232	--------

NOTE.—"Income taxes" include Federal taxes only.

Income taxes paid by 28 oil and gas companies—Continued

COMPANY B–Z

Year	Net income (loss) before income taxes	Income taxes (credit)	Net income (loss) after income taxes	Percent of income taxes to income before taxes
1962	$46,266,000	0	$46,266,000	0
1961	46,094,000	0	46,094,000	0
1960	45,816,000	[1] ($750,000)	46,566,000	--------
1959	27,526,000	[1] (2,648,000)	30,174,000	--------
1958	29,750,374	[1] (4,074,902)	33,825,276	--------
1957	33,842,149	[1] (1,827,610)	35,669,759	--------
1956	52,638,000	5,481,000	47,157,000	10.41

[1] Credit.

NOTE.—"Income taxes" include Federal taxes only.

Mr. DOUGLAS. Mr. President, I ask the readers of the RECORD to notice the extraordinarily low percentage of taxes paid compared to net income earned for these companies, when compared with ordinary corporate organizations which pay taxes at rates of from 47 to 52 percent.

LIMITATION OF CONSENT GRANTED TO FINANCE COMMITTEE TO MEET DURING THE SENATE SESSIONS THURSDAY AND FRIDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the privilege granted to the Finance Committee to meet on Thursday and Friday mornings while the Senate is in session be limited to tomorrow morning and not include Friday morning, if the Senate is in session.

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

INCREASE IN RESOURCES OF INTERNATIONAL DEVELOPMENT ASSOCIATION — UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I have discussed this request with interested Senators as well as with the minority leader.

I ask unanimous consent that Calendar No. 760, S. 2214, be considered under the same unanimous-consent agreement as that already granted with respect to H.R. 7406, and that consideration of the bill follow consideration of H.R. 7406 on the same basis, as soon as possible thereafter.

Mr. KEATING. Mr. President, reserving the right to object, I should like to ask the Senator a question.

Will that be considered ahead of Calendar No. 755?

Mr. MANSFIELD. No. H.R. 7406 is scheduled for consideration on January 14 of next year. Calendar No. 758, H.R. 7406, which is to be considered on that day, has a 1-hour limitation on amendments and a 2-hour limitation on the bill.

Mr. KEATING. The present request has nothing to do with Calendar No. 755?

Mr. MANSFIELD. No.

Mr. KEATING. Which will be considered after the Senate finishes foreign aid?

Mr. MANSFIELD. It has nothing at all to do with it.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Montana? The Chair hears none; and, without objection, the unanimous-consent request is agreed to.

The unanimous-consent agreement, as subsequently reduced to writing, is as *follows:*

UNANIMOUS-CONSENT AGREEMENT

Ordered, That following action on H.R. 7406, during the further consideration of the bill (S. 2214) to amend the International Development Association Act to authorize the United States to participate in an increase in the resources of the International Development Association, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

SHIPPING REGULATIONS WITH RESPECT TO CUBA

Mr. KEATING. Mr. President, the new shipping regulations announced with respect to Cuba are a step in the right direction. For too long we have taken the view that if one ship trades with Cuba, no other ship of the same owner *or shipping line* will be blacklisted by the United States. This regulation, though incomplete, is a definite step toward a broadening of the impact of our boycott of Cuba and may be very useful in cutting down the number of ships that still continue to ply Cuban waters.

Mr. President, the overall review of U.S. policy toward Cuba, including personnel changes, may also be helpful in reducing Castro's economic potential. So far, despite U.S. restrictions, Castro's Cuba has been a beehive of activity, training terrorists, supplying subversives, and working for revolution throughout Latin America.

Mr. President, today Latin America is under a state of siege nearly, if not quite as surely as if Red armies were landing on the beaches, but this siege is sophisticated, subtle, and indirect, employing all the techniques of the modern "cold warrior."

The range and extent of Communist subversive activities in Latin America is so great that the economic base on which the Alliance for Progress hopes to build is being undermined.

The Communist tactics of infiltration and subversion now being used against the Latin American Republics are, in many ways, far more difficult to discover, contain, and combat than outright aggression.

Since the 1920's the Communists have had an organized and well-defined program for takeover in Latin America. In the thirties and forties the southern portion of the Western Hemisphere was divided into three theaters of Communist operation.

Montevideo, Uruguay, was the command post for South America, Mexico City for Central America, and Havana, Cuba, for the Caribbean area. Of these three capitol cities, Havana has had the unique privilege of becoming headquarters for Communist energies in this hemisphere.

The responsibility for letting Castro come to power in Cuba must be shared by both major political parties in the United States. The forces of tyranny which suppressed the Cuban people were able to triumph partly because we ignored for too long the conditions on which communism feeds and festers. That part of the Cuban lesson has been well learned and the Alliance for Progress is a bold response.

But while we plan for the long range development of Latin America, our response to the present dangers must be equally bold or we may find that the base on which we hope to build is no longer there. Communists use many tactics to undermine the political, social, and economic base of a country. These include primarily, first, use of psychological techniques directed at the masses through the printed media, radio, television, and films. Second, recruitment and training of selected individuals to be activists in the Communist cause, with emphasis on teaching Marxist-Leninist doctrine, the techniques of sabotage, espionage, terrorism and guerrilla warfare, and finally, promotion of Communist front organizations and infiltration into nationalist groups originally dedicated to solving the problems of a developing country.

With the establishment of the Castro regime in Cuba, international communism was given a strategic base. From Cuba, all the pressures of subversion could be more effectively applied than they were before. A new and more sinister dimension has been added to Communist activity in this hemisphere.

Last year, for instance, CIA estimates that more than 1,500 Latin Americans were brought to Cuba for training and indoctrination. Even more have taken part in Cuban-sponsored programs this year. The class of 1962 graduated, among its prize pupils, a large group of Venezuelans who returned to Venezuela to organize the terrorist-armed forces of National Liberation.

They tried, unsuccessfully, to prevent the election of a succesor to Romulo Betancourt and to destroy the machinery of free government.

These terrorists have resorted to indiscriminate slaughter. In their attempts to terrorize and panic the populace they would snipe at innocent pedestrians, women and children included. On the night before the election this "liberation" front issued a proclamation warning the people that their lives would be in jeopardy if they dared to vote the next day. It is eloquent testimony to the courage and resolve of the Venezuelan people that more than 90 percent of the electorate cast their ballots despite these threats, and elected the second constitutional President of Venezuela.

The Cuban Government has established a regular educational system for subversives with courses for grade school through graduate studies. There are at least 10 of these "schools for scoundrels" in Cuba, with each center concentrating on a particular phase of Communist training. The La Cubana Fort in Havana is especially for young people. The San Lorenzo School in the Sierra Maestra, is for the training of guerrillas. Many of these schools are manned by Russian instructors, or instructors from other Communist countries.

Fidel Castro has always been interested in education. One of the first things he did as dictator of Cuba was to establish a fellowship program to bring young Latin Americans to Cuba in order to afford them the Communist background he was given as a young man. He has bound hundreds of young people together in a new alliance, an "Alliance for Violence."

There is even a "seminar program" for seasoned activists. This includes meetings and conferences which are designed to bring together Communist agents and sympathizers with varied interests, such as workers, students, artists, athletes, teachers, and so on. It is ironic that one of these conferences was held in November of 1962 on the occasion of Solidarity with Venezuela Week. It is typical of Communist "double think" that they should offer the hand of so-called friendship while they are stabbing a neighbor in the back.

The Communist programs for organizing the cadres of subversion are so extensive that they constitute an allout offensive effort, an underground war.

Our traditional concepts of aggressive action are misleading standards by which to judge and evaluate the threat of subversion from Cuba. There are no armies to be met on the battlefield, there are no ships to be sunk at sea, there are no planes to be shot out of the skies, but there are groups of well-trained well-coordinated, Cuban-based Communist agents spread in weblike fashion throughout South and Latin America and dedicated to the overthrow of constitutional government by the use of force, violence, terror and the perversion of constitutional government to serve their own evil ends.

There are several steps which can and should be taken to reduce the flow of manpower to and from Cuba. We must make it more difficult for agents to utilize Cuba as a staging ground for their activities and as the point of departure for the rest of Latin America. The United States has instituted a ban on travel by most U.S. citizens to Cuba, but this is not the practice of all Latin American countries. What is more, we have had difficulties enforcing our own ban.

Individuals easily get around it by going to a country in which travel to Cuba is permitted and leaving from there. I strongly recommend that we work for international agreements which would enforce travel bans beyond national borders. In other words, each government would observe certain limitations imposed upon travel by other governments.

Most important, however, there is urgent need for something like an Inter-American Subversion Control Board within the Organization of American States to provide a system for the exchange of information on known Communist agents and subversives who travel to Cuba.

INTER-AMERICAN SUBVERSION CONTROL BOARD

As another example of supranational intelligence coordination is the International Criminal Police Organization known as Interpol. This group was organized in 1923, disbanded during the Second World War, and reactivated in 1946. Its membership includes the police bureaus of some 60 member nations. It furnishes member governments with studies, reports, and interchange on the activities of various individuals and groups engaged in international criminal operations.

Interpol deals primarily with international crime such as counterfeiting, smuggling, and narcotics, rather than political sabotage and espionage. It serves as a clearinghouse for the exchange of information and requests of its participating countries.

The purpose of Interpol is to promote the closest possible cooperation between and among the criminal law enforcement agencies of member countries in order to prevent and suppress international crime. This unique organization fills an important gap which exists between the police forces of various nations.

The Interpol home office maintains files on some 120,000 international criminals, and broadcasts crime bulletins over a worldwide network of 21 radio stations. Interpol men themselves never arrest a criminal. Yet the coordinated police effort made possible through their existence has led to the capture of many an international criminal.

In a similar way an Inter-American Subversion Control Board could coordinate the efforts of the police bureaus of the hemisphere to prevent and suppress outside subversion.

There is precedent for the formation of a group such as this. In 1942 Western Hemisphere nations established the Emergency Advisory Committee for Political Defense in order to counteract the efforts of subversive agents of the Axis powers. This committee served as a center to assist member governments in identifying the sources of Nazi propaganda, and subversive activities and helped to develop means of control. We recognized then that this Nation could not be strong anywhere else in the world if we were weak or insecure in this hemisphere. We should recognize a serious similar danger today.

Besides coordinating and pooling information of the various Latin American countries about Communist actions, it could direct the activities of our own security agents in a cooperative effort to arrest, resist, and prevent subversive activities throughout the hemisphere.

The Council of the Organization of American States has already established machinery to keep the council advised of "technical problems in the field." But there is no body specially designated to carry out the recommendations of this group or able to coordinate antisubversion activities. An Inter-American Subversive Control Board would go a long way toward meeting the problems we face in this area.

One of its major tasks could also be to counteract the massive effort being waged by the Communists through propaganda. Propaganda is an essential part of the Communist strategy. It sows seeds of doubt and confusion and exploits the desires of the people to find quick and easy answers to the problems of hunger, poverty, disease, and injustice. The Communist objective is to supplant objective reason with emotional hysteria, political stability with political decay, economic order with economic chaos.

To carry out this objective, the Communists use every medium available for the dissemination of information. Shortwave radio has been the principal device. Radio Havana was established on May 1, 1961, and now broadcasts a total time of 266½ hours per week. With the Soviet, European satellite and Chinese efforts included, total Communist broadcasting to Latin American countries comes to more than 400 hours per week.

A great deal of Communist propaganda also goes out through the printed media. Most of it is smuggled into South America via Cuba. Last October, for instance, a large crate, weighing 1,800 pounds was sent by the Cuban Government to its embassy in Chile labelled "samples of Cuban products and cultural and commercial material." When it was opened by Chilean authorities, the contents turned out to be Cuban propaganda addressed to various Chileans who a few months before visited Cuba. Chile sent a stern protest to Castro over this outrageous violation of the principle of nonintervention in the internal affairs of another country.

Major instruments for the spread of propaganda are the diplomatic and consular mission of the Cuban Government in particular and all Communist governments in general. They have been publicly unmasked on several occasions. The improper use of diplomatic missions is a serious subversive threat. There are only four countries which still maintain diplomatic relations with Cuba: Brazil, Chile, Uraguay, and Mexico, but the demonstrated ill will of these Cuban missions would give the four countries ample reason to reconsider their policy.

To prevent the abuse of diplomatic privilege by Communists, other nations could strictly limit the movement and circulation of Communist so-called diplomats and restrict them to the same advantages and courtesies offered to our representatives in their countries, which are precious few, to be sure.

Cuba has become the school and printing press for Communists in Latin America. It has also become the bank. It costs money to finance the farflung operations of the Communist Party. The Communists have elaborate means for obtaining funds. For instance, they collect proceeds from social events such as balls, festivals, bazaars, and the like; they demand compulsory contributions; they sell Communist publications; and, the most diabolical method of all, they sell contraband, especially narcotics.

If they can help it, Communists do not dig into the resources of Communist nations but rather they exploit weaknesses of their fellow men to finance the very activities which will keep others weak, poor, and enslaved.

Via Cuba, the Soviet Union can also supply funds directly when necessary. It is even harder to control transfer of funds than any normally clandestine activity. The American republics should coordinate and improve intelligence services to prevent the transfer of funds, which is at the root of subversive activity. An Inter-American Subversion Control Board could certainly play a large part in strengthening the security of the hemisphere and coordinating the isolated efforts of individual countries.

The Inter-American Treaty of Reciprocal Assistance certainly provides for such an action. Under this agreement, known as the Rio Treaty, a country guilty of aggressive intervention in the affairs of a member state can be subjected to far-ranging sanctions, including the use of force. The Organization of American States has already voted to investigate specific charges brought by Venezuela that Cuba smuggled arms to the terrorist Armed Forces of National Liberation. There is clear proof that a large shipment of arms valued at more than $350,000 found on a Venezuelan beach came from Cuba. And, incidentally, for the first time our own Government admits the evidence is conclusive, although, of course, Castro denies it.

We should back Venezuela with real determination, and press for whatever steps are necessary to prevent the continued flagrant violations of the sovereignty of our sister Republics.

This determination was publicly stated more than a year ago when a joint resolution was passed, declaring that:

> The United States is determined to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere.

At the same time, while we devote every effort to controlling the present activities of Castro in Latin America, we must not forget that the best way to cure the symptoms is to get rid of the disease.

I have long supported economic sanctions against the Castro regime. But economic sanctions can only be effective if they are complete and wholehearted. As I pointed out in September, there is evidence of French commercial interests and activity in Cuba today, as well as British. Moreover, the latest shipping reports show that, on the average, through 1963, more than one ship per day arrived in Cuba registered under the flag of free-world nations. It is our

policy and the policy of the free world to weaken the Communist dictatorship in Cuba by denying it access to the industrialized markets of the free world. This policy cannot succeed if our enemies are aided and abetted by our allies. It is increasingly important to tighten the boycott and isolation of Cuba and to discourage our allies, above all, from sales or activities that could strengthen Castro's position and prolong his rule in Cuba.

In Latin America, above all, we must not, by indifference or lack of action, discourage the native desire of Latin America for freedom. We must not by our hesitation allow their desire and capacity for freedom to be weakened. For if it does, our own freedom may die with it.

RESIDUAL OIL IMPORTS

Mr. KEATING. Mr. President, the recent announcement from the White House that Secretary of the Interior Udall would have responsibility on petroleum policy matters has awakened deep concern once again over the discriminatory policies of oil import restrictions that block modern economic growth and free competition on the east coast.

Restrictions on the importation of vitally needed residual oil are now causing serious hardship on the east coast. There are over 50 million residents in the Atlantic Coastal States. Directly or indirectly, they are being forced to pay higher rates for the energy that they consume because of import restrictions, as well as the impractical and unfair manner in which import allocations are made to the marketers.

I have the fullest sympathy with the problems of West Virginia. These problems have not been caused by residual fuel imports, however, but rather by automation which has reduced the demand for manpower in the production of coal from around 400,000 to the present level of under 170,000 coal miners. Domestic coal has lost some markets in the USA, but this is due to competitive inroads by diesel fuel oil in the case of the railroads and household heating oil in the case of the household consumer.

The solution of the problems of the coal mining industry lies in efforts to solve unemployment by vocational training, relocation of retrained personnel, diversification of industry by attracting new industry into the depressed areas of coal, and, finally, by an all-out program to expand uses of coal exports. The latter is particularly desirable since U.S. coal now can compete in any corner of the free world with foreign-produced coal and every ton of coal shipped out of this country helps our balance of payments.

At the same time, on the east coast, residual fuel oil imports are essential to keep the cost of living down. These imports also play a vital role in keeping our cost of production down to levels that enable us to manufacture goods that can meet competition throughout the world.

These imports also are of vital importance to our friendly ally and neighbor to the south, Venezuela. Venezuela has played a leading role, under the Alliance for Progress, in developing her economy and her social welfare programs. These could not have been accomplished without revenue earned through the sale of oil products to our country. Venezuela is one of our best customers. Many of the dollars earned by selling us residual fuel oil are spent in buying our manufactured goods and agricultural products.

Unjustified controls, as has been proven by every study made by the Federal Government on this subject create a shortage of supply in the New York-New England area. They also create imbalances in the marketplace. Two of the biggest utility companies in the world that play a major role in supplying power to the New York area are now being forced to convert to a more expensive fuel at sizable increases in capital expenditures. This is damaging to the economy of the whole region.

At a time when the Soviets are accelerating their trade programs, we cannot afford to sacrifice the interests of 50 million consumers of energy on the east coast. We cannot afford to sacrifice the interests of the Western Hemisphere by continuing a program of import controls that is forcing the diversion by Government decree from supply sources in the Western Hemisphere to areas that are far removed in other hemispheres.

Mr. President, it is time for the meaningful relaxation of controls urged by the Office of Emergency Planning. It is time to end an anachronism in our economy and a hindrance to industrial and employment growth on the east coast. It is time to restore competition to the fuel supply field and stop penalizing consumers and industries in the Northeast for the development of automation elsewhere.

For that reason, my colleague [Mr. JAVITS] and I addressed a letter to Secretary Udall asking very pointedly for his views on this problem.

THE SOVIET UNION AND ITS DEFENSE BUDGET

Mr. HUMPHREY. Mr. President, I have read with interest the announcement by the Soviet Union which states that it is reducing its defense budget by 4.4 percent next year and that it intends to devote more of its national resources to improving the lot of the civilian consumer through increased production of farm and consumer goods.

This statement of the Soviet Union, of course, leaves many questions yet unanswered. Do we know, for example, whether their concept of a defense budget is the same as ours? How much of their budget for science, for example, includes moneys which we would include in our Defense Department research and development budget?

These are questions which we hope will be answered, rather than reasons for discouragement. But the fact that they have announced a 4.4 percent decrease in their official defense budget is encouraging in itself. We may hope for a continued trend in this direction which in the future will improve the lives of ordinary men, women, and children throughout the world and decrease tensions and lessen the dangers of armed conflict.

We all know how hard President Johnson has been working to cut unnecessary expenditures from our defense budget. We will see the final result of his effort early next year.

I ask unanimous consent that an editorial from the Washington Post entitled "Disarming Gesture," as well as an article from the New York Times entitled "Soviet Trims Arms Budget and Some Economic Goals," be printed in the RECORD at this point.

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

[From the Washington Post]

DISARMING GESTURE

The first question to ask about the cuts in military spending and armed forces announced by Mr. Khrushchev is whether there will be any cuts. Unfortunately, the document that might help answer this question is unreliable. This is the official budget, which has far less to do with finances than with the feelings Mr. Khrushchev wishes to project upon the Soviet people and the world beyond.

In respect to his people, Mr. Khrushchev apparently feels confident enough of the current scene to take them off the hook of tension where they have been set for the last few years. The detente is real, he says in effect. This does not mean that he has decided it is safe to disarm. It means he has been able to politically disarm his marshals and militants, who have a vested interest in international tension, and in defense spending.

As for the world beyond, excluding China, detente is the key. What better way to show that the Soviet Union is sincere than by a unilateral gesture toward disarmament, particularly if the gesture is empty or if it merely conceals a further shift from conventional forces to nuclear missiles. The gesture suits the general needs of the day in a world fearful of war and it suits the particular needs of the moment—to sprinkle diversion among NATO, meeting this week in Paris, and to sweeten the 17-nation disarmament conference, meeting next month in Geneva.

If military spending and manpower actually are cut, the Kremlin has plenty of good uses for the savings. The chemical industry is due for a massive boost, mainly to invigorate and stabilize agriculture. The consumer-goods sector and community services can easily sop up every spare kopeck. The experts think, however, that the consumer will get a very small advantage.

Disarmament would make this a safer world but disarmament is not achieved by a Soviet decision to trim fat off an overswollen military budget or to exchange infantry regiments for intercontinental rockets. President Johnson has said that American military spending will decline, too, but, rightly, no one trumpets that as disarmament. What Mr. Khrushchev has done, with a master politician's skill, is to seize a propitious international moment in order to affect—perhaps—some internal changes long overdue.

[From the New York Times]

SOVIET TRIMS ARMS BUDGET AND SOME ECONOMIC GOALS

(By Theodore Shabad)

Moscow, December 16.—The Soviet Government announced today that it planned to

reduce its overt defense budget next year by 600 million rubles ($660 million).

The token reduction, which mainly affects the direct cost of maintaining the armed forces, would bring Soviet military expenditures down to the level reached in 1962 as a result of growing East-West tension in the Berlin dispute.

In presenting the budget to the opening session of the Supreme Soviet (Parliament), Finance Minister Vasily F. Garbuzov said the allocation funds were sufficient to "insure the security of the country and of the entire Socialist camp."

WAGE INCREASES DEFERRED

Mr. Garbuzov's report and a 2-year economic plan outlined to the Supreme Soviet by Pyotr F. Lomako, chairman of the State planning committee, gave some indication of how the government proposed to finance the early stages of its ambitious 7-year chemical development program.

An increase in the monthly minimum-wage level to 40 to 45 rubles ($44 to $50), originally planed for 1962, is being delayed until 1965.

The present minimum wage is 27 to 35 rubles ($30 to $39). Under the initial schedule of the current 7-year plan, a minimum of 50 to 60 rubles ($55 to $66) was to have been achieved by 1965.

However, the Government plans to increase the salaries of teachers and physicians, who represent the lowest paid professional people in Soviet society. They earn about 70 to 80 rubles ($77 to $88), substantially less than the average Soviet wage of about 100 rubles ($111) a month.

Although their wages are low by Western standards, Soviet citizens benefit from a range of free services, such as health care, and spend only nominal amounts on rent and transportation.

HOUSING PLAN CUT BACK

The housing program is being cut back by about 17 percent. The 2-year plan provides for the completion of housing for 15 million people compared with the 9 million planned alone for 1963. Actually, the housing program has regularly been underfulfilled in recent years; about 8 million people have been moving to new apartments each year.

Iron and steel production is to be expanded chiefly through plant modernization rather than new plant construction.

Stress to be placed on raising output through improved technology such as the use of natural gas and oxygen to speed the operation of ironmaking blast furnaces and the use of more productive techniques in smelting and casting of steel.

Mr. Lomako's figures also showed that the original 7-year plan, from 1959 to 1965, would be fulfilled in terms of the ruble value of industrial output but not in terms of the actual physical amounts of some major commodities such as natural gas, textiles, and leather shoes.

ARMS BUDGET HURT PLAN

The lag on meeting long-term goals suggested that the plan for the next 2 years had been redesigned not so much because of changes in economic policy emphasizing chemicals but because of shortcomings in fulfilling the initial program.

The increases in the defense budget, which ran at slightly more than 9 billion rubles ($9.9 billion) in the early part of the 7-year plan to the present rate of more than 13 billion rubles ($14.4 billion) a year was undoubtedly a factor contributing to the failure of the plan.

The military expenditures of 13.3 billion rubles ($14.6 billion) set for next year represents 14.6 percent of the total expenditures of 91.3 billion rubles ($100.4 billion).

The planned revenue of 91.8 billion rubles ($101 billion) is expected to provide a surplus of 500 million rubles ($555 million), one of the slimmest margins in recent Soviet budgets.

Although Mr. Garbuzov announced the planned total budget for 1965—exceeding next year's figures by about 9 billion rubles ($9.9 billion) in both revenue and expenditures—he did not disclose the planned military expenditures and allocations to the national economy for 1965.

It was evident that the appropriations would depend on the progress made this year by East-West negotiators toward a further relaxation of tension.

The Soviet Union's military posture is determined not only by its overt defense budget but also by economic allocations for aircraft and space projects, arms and munitions industries, and other unpublicized budget items.

The reduction in direct military expenditures was forecast by Premier Khrushchev in a speech Friday.

The new emphasis on the chemical industry is reflected in several ways in the plan and budget. The investment in the construction of chemical plants is to increase from 1.6 billion rubles ($1.8 billion) this year to 2.7 billion rubles ($3 billion) in 1965.

FERTILIZERS STRESSED

Two-fifths of these funds are to be allocated to a priority program of building fertilizer factories to spur agricultural yield and to make the Soviet Union once again self-sufficient in grain. A poor harvest this year compelled Moscow to purchase 10 million tons of wheat abroad.

The Soviet Union plans to develop a fertilizer-production capacity of 24 million tons in 1964 and 1965. This means it will try to build in 2 years the equivalent of two-thirds of the entire U.S. fertilizer industry, which has been under development for decades.

Mr. Garbuzov said in his report to the Supreme Soviet that chemical research would absorb 685 million rubles ($767 million) of a 2-year science budget of 10.6 billion rubles ($11.7 billion).

The plan also provides for increased investments in agriculture and in consumer-goods industries.

The overall planned rate of industrial growth, which declined from 8.9 percent in 1961 to 8 percent this year, is once again set higher in the next 2 years, at an average annual growth rate of 8.4 percent. Actual growth, which is calculated in rubles of industrial output, is normally slightly higher than the planned rate.

HEAVY INDUSTRY FAVORED

As usual, heavy industry is scheduled to expand at a more rapid rate than the consumer goods industries, although the gap between the two growth rates is being narrowed by three-tenths of 1 percent.

As a result of a major shipbuilding program over the next 2 years, including large oil tankers, the Soviet Union expects to carry 52 percent of its foreign trade in domestic bottoms by 1965. Last year, Soviet vessels handled 37 percent of imports and exports.

Crude oil, scheduled to increase from this year's output of 205 million tons to 240 million tons by 1965, is one of the few major industrial commodities meeting the original 7-year plan goals.

The Soviet Union is expected to increase oil exports to help finance growing purchases of chemical equipment and other industrial plants abroad.

APPOINTMENT OF THOMAS C. MANN AS ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS

Mr. HUMPHREY. Mr. President, I wish to have printed in the RECORD an excellent editorial that appeared in the Washington Post 2 days ago, entitled "Mann in Charge."

It relates to the appointment of Thomas C. Mann as the new Assistant Secretary of State for Inter-American Affairs. It is an excellent editorial which tells a great deal about Mr. Mann's background. It underscores once again for the American people the great experience and competence of this able public servant.

I ask unanimous consent that the editorial may be printed in the RECORD at this point.

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

[FROM THE WASHINGTON POST, DEC. 16, 1963]

MANN IN CHARGE

In his first major appointment, President Johnson has placed Thomas C. Mann in charge of Latin American policy. The President's letter to Mr. Mann makes clear that the new Assistant Secretary of State for Inter-American Affairs will have broader powers than Edwin Martin, the outgoing hemisphere chief. Mr. Mann was explicitly given authority over "all policies and programs of the U.S. Government, economic, social and cultural, relating to Latin America." It is understood that President Johnson also intends to give Mr. Mann a new rank as Under Secretary of State.

Most of the obvious things have been noted about the appointment. A native of Texas, Mr. Mann is an old friend of the President. During the Eisenhower years, he was intimately involved in hemisphere policy, first as an Assistant Secretary of Economic Affairs and then in the same post to which he has now been renamed. Since 1961, he has been Ambassador to Mexico. He has long experience which will stand him in good stead.

Certainly Mr. Mann understands full well the President's cautioning remark that "there can be no illusion that the work will be easy." There is hardly a serene patch of blue on the hemisphere horizon—excepting, perhaps, Mexico. Venezuela is beset by terrorists; Brazil by hemorrhaging inflation; Chile by political uncertainty. Oil disputes simmer in Argentina and Peru. Bolivia is on the verge of open conflict between insurgent tin miners and the central government—a conflict that may be sharpened following the release of Americans held as hostage by the rebellious workers.

In the Caribbean, the United States finds its position threatened at the far left by Castro's Cuba and on the right by military usurpers who have overthrown constitutional regimes in Honduras and the Dominican Republic. The recognition granted to military juntas in these two countries was a pragmatic response to events which avoids, and does not resolve, the dilemma of squaring a prodemocratic policy with acquiescence in coups.

During his tour, Assistant Secretary Martin was caught in the net of contradictions arising from a major change in Washington's policy under the Alliance for Progress. Though this newspaper on occasion was critical of Mr. Martin, his competence won him respect, particularly after his able performance at the São Paulo economic conference. The reins will soon be in Mr. Mann's grip. In the past, he has shown firm convictions of how American policy should be managed. His skill and good sense will be tested as never before; he surely deserves prayerful best wishes as he undertakes a taxing new job.

DR. JOHN KENNETH GALBRAITH GIVES PLAN FOR ATTACKING POCKETS OF POVERTY IN AMERICA

Mr. YARBOROUGH. Mr. President, a significant address at a meeting of the National Policy Committee on Pockets of Poverty was delivered on Friday, December 13, by the distinguished Dr. John Kenneth Galbraith.

Because of the importance of the *points made so* well in this address entitled "Wealth and Poverty," I ask unanimous consent that it be printed in the RECORD.

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

WEALTH AND POVERTY

(Address delivered by John Kenneth Galbraith to meeting of the National Policy Committee on Pockets of Poverty, Friday, December 13, 1963)

You are very kind to allow me to say these few words today. Because, a few years ago, I wrote a book which described our society as affluent I have ever since been accused of believing that there are no longer any poor people in the United States. This charge, to be sure, comes from those who have not read the book. But, as all authors will agree, this is always a distressingly large number. Those who have been more profligate of their energy do perhaps remember that one of my principal purposes was to urge that growing wealth will not, of itself, solve the problem of poverty. Instead, with increasing well-being, the poverty of those who are left behind becomes even more shameful—an anachronism from which we are able to avert our eyes only with ever-increasing determination.

The problem of poverty in the United States is the problem of people who for reasons of location, education, health, environment in youth or mental deficiency, or who because of racial discrimination are not able to participate effectively—or at all—in the economic life of the Nation. Being barred from participation they are denied the income that accrues to participants. So they live in privation.

Those who argue that a steady expansion in economic output is a necessary condition for the elimination of poverty have a valid case. People who are able to participate in the economy must have a chance for jobs. And there continues to be good reason for seeking a broad and equitable distribution of the revenues from production. Despite considerable propaganda to the contrary, the greatest need of the moment is not a decision to be tender to the well-to-do. Their situation is not so desperate as popularly represented. Also one makes an economy work not by rewarding the rich but by rewarding all who contribute to its success.

But on one elementary point there must be no doubt. If the head of a family is stranded deep on the Cumberland Plateau, or if he never went to school, or if he has no useful skill, or if his health is broken, or if he succumbed as a youngster to a slum environment, or if opportunity is denied to him because he is a Negro, then he will be poor and his family will be poor and that will be true no matter how opulent everyone else becomes.

Equally there must be no doubt that the means for rescuing this man, or his children—investment to conserve and develop resources, assistance in relocation of workers, assistance to new industries, vastly improved education, training and retraining, medical and mental care, youth employment, counselling, urban recreational facilities, housing, slum abatement, and the assurance of full civic equality—will require public effort and public funds. Poverty can be made to disappear. It won't be accomplished simply by stepping up the growth rate any more than it will be accomplished by incantation or ritualistic washing of the feet.

We have, of course, no hope of erasing this blot on our social life if we are affected by the thinking of that new and interesting cult which call themselves the modern conservatives. On this, I suppose, there will be general agreement. The modern conservative is, in fact, not especially modern. He is engaged, on the contrary, in one of man's oldest, best financed, most applauded and, on the whole, least successful exercises in moral philosophy. That is the search for a truly superior moral justification for selfishness. It is an exercise which always involves a certain number of internal contradictions and even some troublesome absurdities. The comfortable turn up urging the character building value of privation for the poor. The man who has struck it rich in minerals, oil, or other bounties of nature is found explaining the debilitating effect of unearned income from the state. The corporation executive who has proved himself a superlative success as an organization man weighs in on the deadening effect of bureaucracy. Federal aid to education is feared by those who live in suburbs that could easily forgo this danger, and by people whose children are in private schools. Socialized medicine is condemned by men emerging from Walter Reed. Social security is viewed with alarm by those who have the comfortable cushion of inherited income. Those who are immediately threatened by public efforts to meet their needs are almost always oblivious to their fate.

The first three or four times that I read "The Conscience of a Conservative" I confess that I was slightly attracted by the vision of a young, two-fisted man of my own age, up from the ranks, self-reliant, self-made, accepting the risk of illness without income, disdaining any organized provision for his old age, asking only that he might keep safe from the tax collector what he earned by the sweat of his own brow. I continue to think of this as the work of a detached scholar. But, in the purely literary way that one writer explores the psyche of another, I wonder if some personal anxieties are not eased by identification with a really good store.

I have no thought of reproach here. My own interest in the Harvard retirement plan slumped appallingly when my books began to appear on the bestseller lists and my wife, quite unexpectedly, became the beneficiary of the small remnants of a New England fortune founded, we believe, on the discovery of a better horse blanket. Should not, we also thought, such a tradition of enterprise be better rewarded in the present generation? For one fleeting moment Young Americans for Freedom had their chance.

But it is not conservatives but liberals that are the object of my interest today. It is to them, conservatives will be relieved to know, that I address my word of reproach.

The elimination of poverty at home and its mitigation abroad is a job for liberals. It will not be accomplished unless liberalism is a determined faith. That, alas, is what it is ceasing to be. It is coming to be supposed that there is something uncouth about argument, unwise about controversy and irresponsible about innovation. A high State Department official expressed regret the other day—I am sorry to say that he had India in mind—that ambassadors should involve an otherwise placid institution in controversy. Liberals, I fear, are responding to this mood.

I am not at all sure that either on foreign or domestic policy the liberal serves his highest function by acting as an early warning system for possible rightwing criticism. This role, and that of providing an elegant and sophisticated rationale for convenient or politically expedient action, are ones on which I hope to dwell one day at greater length. To those who feel that they best serve by endowing the scene with their presence, rather than by pursuing their convictions, let me simply say that I agree it is a good life. But it is also a bit like being one of the warriors in the Washington parks. The posture is heroic; the sword is being waved; but, alas, the movement is nil.

It is especially important that we not be defensive about the public tasks that lie ahead. Those who make it their profession to resist humane works have of late been turning in a virtuoso performance. I find myself less than happy about the number of people who have seized on tax reduction, a measure which was meant to stimulate the economy and increase public revenues, as an excuse for holding back on the needed tasks of government. And some now argue that expenditure limitation or reduction is necessary so that we may reduce taxes with safety. Prof. Raymond Saulnier, President Eisenhower's informed and conscientious economic adviser, has just concluded that the nondefense expenditures of the United States—he mentions as illustrative those for Rural Electrification Administration, the Agency for International Development, Export-Import Bank, Farmers' Home Administration, outlays for civil public works, research—must be cut by $2 billion if there is to be tax reduction and provision for the built-in or contractual increases in Federal outlays.

John F. Kennedy liked to describe himself as a prudent man. And he hated extravagance of any sort—extravagant speech, extravagant gesture, waste of money. Our new President is also a wisely prudent man. No one would ask for any other kind of leader. We want men who husband public resources—who make departments answer well for their needs. Our quarrel is with those who see in sound public service some danger to society. In fact, the public services are one of the two great forces working for economic equity and social stability.

We have long recognized that the progressive income tax is one such force. In the last quarter of the last century and the first quarter of this century the concentration of wealth proceeded at a rapid, and some would say an appalling, rate in the United States. There seemed to be good ground for the Marxist prediction that this concentration would, in the end, destroy the substance and bring the destruction of capitalism. The income tax was a major step in arresting the concentration trend and thus annulling Marx's prediction. Conservatives have many reasons to be grateful for the Taft family but there can be little doubt that its greatest single monument is the income tax amendment. I do not share the enthusiasm, now also at a high pitch in some places, for making the income tax less progressive.

But we need to bear in mind that the incidence of public services is also highly progressive. Like a well-designed income tax these also strongly favor the least fortunate.

Thus, the well-to-do family can escape to the country. It is the poor who need parks and whose children need swimming pools. Only the poor live in the slums and require the myriad of services that, we may hope, will one day mitigate urban congestion and public squalor. The well-to-do live in communities that have good schools; it is the schools of slum dwellers and wage and salary workers which would be principally improved by Federal aid to education. Colleges and universities are more accessible to the rich than to the poor. It is the masses and not the classes who use mass tranportation. The elderly couple of less than average income

would be the major beneficiary of medicare. Social security, minimum wages enforcement, youth employment are all most important for the least well-to-do. It is poor children who play in dirty streets. It is their father who gets laid off when public works are suddenly cut back.

Even the protective functions of the State are most important for those in the lower income brackets. Poison serum and lethal drugs do, I judge, work democratically on rich and poor alike. But many of us here today could probably survive a certain amount of exploitation in our prescriptions, fraud in our food packaging, mendacity in our dental advertising or thimble rigging in our securities. We live in parts of cities where epidemics are less likely. The family that struggles to make ends meet, the widow with life insurance money around loose, the dwellers in urban tenements need the protection of an alert FTC, FDA, SEC, and Public Health Service.

Public services have, to use the economist's word, a strong redistributional effect. And this effect is strongly in favor of those with lower incomes. Those who clamor the loudest for public economy are those for whom public services do the least. It is evident that tax reduction that affects public services has a double effect in comforting the comfortable and afflicting the poor.

This is something which liberals should not forget. I venture to think there is an even stronger lesson for the man of good will and good income who, regardless of political disposition, counts himself a good and compassionate citizen. He should bear in mind, when he is tempted by a crusade against public expenditure, that the sacrifice is not his.

In recent times one has sensed a certain reluctance to base social policy on differences in income—or even to admit that they exist. As pornography has become ever more popular, mention of inequality has become obscene. Ours is a classless society; we must not set the poor against the rich, or possibly vice versa.

This is great nonsense. There are wide differences in ability to pay in our society. There are also wide differences in the benefit from public services. These are facts of life to be treated without rancor but with all candor. To pretend that public services are of equal benefit to people of all income, and hence that there is equality of sacrifice in curtailment, is to work a fraud on the poorest of our people.

My impression is that poverty will be eliminated primarily by encrgetic action along lines on which we are already working—civil rights, education, slum abatement, the rest. Even in the Communist countries miracles are currently selling somewhat at a discount. But I wonder if we might consider one possibility.

To the best of knowledge there is no place in the world where well-educated people are really poor. Why don't we select, beginning next year, the hundred lowest income counties (or in the case of urban slums more limited areas of equal population) and designate them as special educational districts. They would then be equipped (or re-equipped) with a truly excellent and comprehensive school plant, including both primary and secondary schools, transportation, and the best in recreational facilities. The construction employment in this part of the task would not be unwelcome. Then, in the manner of the Peace Corps, but with ample pay, an elite body of young teachers would be assembled—ready to serve in the most remote areas, tough enough and well-trained enough to take on the worst slums, proud to go to Harlan County or to Harlem. In the year following we would proceed to the next most abysmal areas. It seems likely that the system should also include modest educational grants to families to feed and clothe children for school and to compensate for their earnings.

This is not Federal aid to education. It is an attack on poverty by what I would judge to be the most effective single step that could be taken. Can anyone argue that youngsters with these facilities and this training would share the dismal fate of their parents? As incomes rise the schools would be returned to the localities. Those who fear Federal control of education are amply protected. The effort would not affect them.

There are adequate precedents for such action. Some 10 years ago it was sadly evident that our highways were heading for trouble. In the richer States they were often fairly good. Elsewhere they were too few, too narrow, and too slow. One day soon the vehicles would be backing up into Detroit itself. Then we would have only an interlocked mass of metal full of sound but devoid of movement. The economic consequences would be far from agreeable. Foreseeing this crisis the Federal Government stepped in. Disdaining to be bound by the time-honored formulas for sharing costs with the States, it proceeded to contribute up to 90 percent of the cost of the new highways. General Motors did not object. Ford did not object. Mr. George Romney of American Motors did not object. The National Association of Manufacturers was acquiescent. Mr. Lucius Clay, the father of the scheme, was at no time stigmatized as a radical promoter of big government. Confident of the same approval, I would propose that we finance this frontal attack on the areas where education is worst, needed most, and has the most to offer in precisely the same way.

DR. TSANOFF OF RICE UNIVERSITY EULOGIZES THE LATE PRESIDENT KENNEDY

Mr. YARBOROUGH. Mr. President, at a stirring memorial service held Monday, November 25, at the Rice University Memorial Chapel in Houston, Tex., Dr. Radoslav A. Tsanoff delivered the tribute to President Kennedy.

Because so many persons who heard this glowing message of tribute have praised it, I ask unanimous consent that it be printed in the RECORD so it will be available for others to see, on a broader scale.

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

EULOGY OF PRESIDENT JOHN F. KENNEDY

(By Dr. Radoslav A. Tsanoff, at the memorial service for President Kennedy held in the Rice University Memorial Chapel, on Monday, November 25, 1963)

We have come together for this memorial service with heavy hearts. Our Nation is plunged in grief for the tragic death of our President. To millions of us President Kennedy stood as the living symbol of America in her expanding leadership of the free world in these days of grave trouble and peril—America, the home of freedom and justice and welfare for all.

As we try to express to ourselves the ideals to which President Kennedy was dedicated, we remember his speeches to us expressing his aims, his vision of a greater and fairer and more humane America. We remember his Executive proposals to enact these principles into legislation. We remember his unflinching courage, when he stood on the very edge of atomic war in defense of our national safety and honor. Do we not also come upon one basic principle, central in his convictions as a citizen and as a statesman? It signifies and clarifies to us his entire policy. You will recall how he appealed to us, in his inaugural address, not to ask, What can our country do for us—but rather, What can we do for our country? This is so simple to say, but does it not go to the heart of the matter? Does it not distinguish two sorts of citizens, two contrasting attitudes toward public policies, two conceptions of national life altogether? I may regard my country as a source of profit and prestige to myself. I may support public measures which enrich and advance me and my class, my trade, my profession; I may resist whatever seems to be against my interests. Or I may identify myself with the larger national needs, ready to grow with my country, yes, but also willing to labor and to suffer, if needed, for my country, and in public measures to think first of America and only second of myself. Put this idea really to work in our daily lives, and it transforms us and will transform our entire American society. President Kennedy was asking us every one: Are we to be citizens who join in common good will to build a fairer social order, or are we to keep on saying: Let us alone to look after our own affairs?

This national calamity has unnerved us with its suddenness. In the very midst of our welcome to our Chief he was smitten down before our eyes. Only last Thursday President and Mrs. Kennedy visited Houston on their good-will trip to Texas. Hundreds of thousands lined our streets to welcome them to our city. Speaking at the coliseum to an enthusiastic audience, the President hailed the creative vision which has led America to higher and higher levels of greatness and honor, but he also pointed out the responsibilities which greatness and honor impose on us. In winged words he challenged us to become worthier of our heritage, to face our present problems so as to deserve the respect of our children and grandchildren. Only last week he stood here before us, mature in statesmanship yet young in his animation and glowing energies, granite firm in his resolute devotion to the public good, yet without any trace of malice, breathing good will for all. And the very next day after he had left us here, where thousands had stood to do him honor and wish him Godspeed, he was shot down by an assassin's bullet.

Joined with the whole Nation on this day of mourning, our Rice University community feel for Mrs. Kennedy and the entire bereaved family our deepest sympathy. As we watched on television the funeral service this morning, we all shared the unutterable sense of the wastefulness of violence which has robbed us of all the wisdom and nobility and devotion which President Kennedy signalized. We are everyone stricken to the heart.

Our minds and hearts go back to the memory of another black day, almost a hundred years ago, when our Nation lost another noble humanitarian leader, one with whose name the name of our own Chief will always be joined. We do not have the words, though we have the heartache, to express our grief as Walt Whitman expressed it in his song of mourning for Abraham Lincoln, "O Captain! My Captain!"

> "But O heart! heart! heart!
> O the bleeding drops of red!
> Where on the deck my Captain lies,
> Fallen cold and dead!"

Even as President Lincoln a century ago, so President Kennedy in our day strove with mind and heart and will against the forces of greed and racial prejudice and injustice and ignorance. Like Lincoln, so Kennedy struggled to achieve a spirt of national unity, to realize more fully the true destiny of America in the life of mankind. A whole century after Lincoln, this struggle has still to be waged. But we know more clearly now that it must be waged and that it must be won. History is a great judge; its verdict which has enshrined Abraham Lincoln will enshrine John Fitzgerald Kennedy.

Like Lincoln, Kennedy also belongs to the ages. His life and his death are a challenge to us all. Can we, all of us in America, without regard to race or religion or political party or economic class—can we really as a nation come to our senses, grasp the full meaning of the words which we teach our children to repeat: "A government of the people, by the people, and for the people—with liberty and justice to all?" If in our heartbroken realization of this tragedy, that this black outrage has been perpetrated in our day, before our eyes, in our Texas, if we could now, in remorse and humility, rededicate ourselves more resolutely to the ideals toward which President Kennedy was always leading us, then neither his life nor his tragic death would have been in vain.

CIVIL RIGHTS AND LEGAL WRONGS

Mr. METCALF. Mr. President, recently in Montana weekly newspapers a three-column, page-length advertisement appeared entitled "Civil Rights and Legal Wrongs." This advertisement sponsored by the Coordinating Committee for Fundamental American Freedom, 301 First Street NE., Washington, D.C., purported to be an analysis of the civil rights bill of 1963 and made such broad charges and obvious distortions relative to that pending legislation that I asked the Department of Justice for comments and analysis.

In response to that request I have received the following splendid critical comment on the advertisement by Mr. Burke Marshall, Assistant Attorney General, Civil Rights Division. I call Mr. Marshall's letter to the attention of my colleagues who may have had the same or a similar advertisement circulated in their State.

Mr. President, I ask unanimous consent that the letter from Mr. Marshall be printed in the RECORD.

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

DEPARTMENT OF JUSTICE,
Washington, D.C., December 17, 1963.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: This is in reply to your request for our comments on a newspaper advertisement sponsored by the Coordinating Committee for Fundamental American Freedom which you enclosed in your letter to the Attorney General. The advertisement attacks the civil rights bill now pending in Congress.

The purported analysis of the pending bill, entitled "Civil Rights and Legal Wrongs," reveals a complete lack of understanding of the proposed legislation. The pending civil rights bill seeks simply to protect the right of American citizens to be free from racial and religious discrimination and to guarantee to them the full enjoyment of citizenship. As such, the bill is a constitutionally and morally justified exercise of the obligations and authority of the Federal Government.

The bill does not establish dictatorial Federal control, as the advertisement claims. If enacted, it would simply help in the realization of the promise of the Declaration of Independence and the Constitution of the United States that all men are created equal and are entitled to the equal protection of the laws.

The extravagant statements made in the advertisement do not fairly represent either the contents of the bill or its purposes. These extreme statements are hardly calculated to assist in the solution of a problem which is of such immense importance to the United States and to the citizens most directly affected.

The following is an examination of what the various provisions of the bill would do, and also what the bill would not do. The latter is particularly important in view of the innuendoes, distortions, and exaggerations contained in the advertisement.

A. PROTECTION OF THE RIGHT TO VOTE

1. In many localities, local election officials have a habit of turning down Negroes on the ground that they are illiterate (even those who are teachers or college graduates) while at the same time registering white applicants who are unable to read or write.

2. The bill would rectify this situation by requiring that equal standards be used for all applicants. And the bill makes no changes in existing law, under which the courts—not the Justice Department—have the right to register persons who are eligible to vote when those persons have been illegally turned down by local officials.

3. The bill also would prevent long and unnecessary delays in voting suits by requiring that such suits be heard on an expedited basis, with a provision for prompt appeals.

4. The bill does not give the Department of Justice power to gain Federal control of the electoral machinery. It merely requires fair play for all eligible voters, regardless of race. That is as it should be.

B. PUBLIC ACCOMMODATIONS

1. The bill contains no provisions whatever governing the sale or rental of private homes.

2. The bill does not affect doctors, lawyers, or realtors.

3. The bill does not affect small rooming houses, with no more than five rooms for rent, which are actually used by the proprietor as his residence.

4. The bill does not affect places of business merely because they pay State or local license fees to operate their establishments.

5. The bill would prevent racial discrimination when it is supported by the State. Discrimination of that type has already been declared unconstitutional.

6. The bill would require that certain business establishments, whose operations affect interstate commerce and which hold themselves out as serving the public, provide these services to the public, without distinction as to race. These establishments include hotels and motels furnishing lodging to transients; restaurants and lunchrooms; motion picture houses, theaters; gasoline stations.

7. At least 30 States and many municipalities now have such legislation requiring fair treatment of all races in places of public accommodation. Federal legislation would extend this protection throughout the country. Under article I of the Constitution and under the 14th amendment the Congress has the clear constitutional authority to pass such legislation.

8. Many Southern States have long had laws on the books prohibiting businessmen from serving their customers on a nondiscriminatory basis. There is no record of protests that this constituted an unwarranted governmental interference with business.

C. NONDISCRIMINATION IN PROGRAMS ASSISTED BY FEDERAL FUNDS

1. The bill provides that, where Federal money is used to support any program or activity—money which is paid into the Treasury by Negro and white citizens alike—the program must be used for the benefit of both races, without discrimination. This is basic American justice and fairplay.

2. Sweeping statements in the advertisement intimating that the bill would affect persons who borrow money from or deposit money in a federally insured bank, farmers who have financial dealings with Federal agencies, and the like, are distortions designed to arouse resentment. The bill will not punish innocent beneficiaries of Federal aid for wrongs committed by others. The bill would not affect an individual farmer, for example, who borrows money through a Government agency. It would affect the distributor of those funds if the distributing agency refused to lend to Negroes but did lend to white persons.

3. The bill does not require the calling of any loans or blacklisting of individuals.

4. The bill will permit the appropriate Federal agency to refuse to give further Federal aid to those who are carrying out certain programs or activities with Federal assistance but who deny the benefits of those programs to individuals solely because of their race. Even this cutoff will not be made until all methods of persuasion and voluntary compliance have been completely exhausted.

5. The bill provides that the courts will be the ultimate judges of whether funds may be cut off. Ample opportunity is provided for judicial review of any Federal agency action which cuts off assistance on grounds of racial discrimination.

D. DESEGREGATION OF PUBLIC SCHOOLS

1. Under the bill, the Federal Government will have no control whatever over hiring and firing of teachers or selection of textbooks.

2. It is not true that the bill would enable the Commissioner of Education to force the transfer of children from one school to another.

3. The charge that the bill would mean thought control of future generations is untrue and absurd.

4. The bill provides for technical assistance and financial grants to schools which are complying with the law of the land by beginning the desegregation of their classes if—and only if—the local authorities request such assistance. Local authorities would remain in complete control of their school systems.

5. It is a startling fact that today, nearly 10 years after the Supreme Court of the United States declared that compulsory segregation in public education violates the Constitution, almost two-thirds of the previously segregated school districts have still not afforded Negro children their constitutional rights. The bill would enable the Federal Government, under certain conditions, to bring suit in court for school desegregation in compliance with the Constitution. Thus, the bill would simply implement the law of the land and hasten the enjoyment by all our citizens of their constitutional rights.

E. FAIR EMPLOYMENT OPPORTUNITY (EMPLOYERS, EMPLOYEES, AND UNIONS)

1. Nothing in the bill permits any individual to demand employment.

2. The bill contains no provision to require a quota system or racial or religious "balance" in employment.

3. The bill does not permit the Federal Government to control the internal affairs of employers or unions or to tell them whom to hire or fire.

4. The bill does prohibit racial discrimination by certain employers engaged in interstate commerce, and by labor organizations, and it continues existing prohibitions against racial discrimination in Federal employment and employment under Government contracts.

5. The statement that Federal administrative personnel would be prosecutor, judge jury, and executioner is completely inac curate. The Commission would seek to ob tain voluntary compliance. If unsuccessful, the charges of discrimination would be tried

before a Federal court, with full right of appeal.

6. Some 25 States now have laws to prohibit discrimination in employment. Federal law would extend this protection throughout the 50 States.

F. EFFECT ON EVERYONE

The legislation will be unwelcome only to those who wish to treat our Negro citizens as second-class human beings. Negroes serve in our Armed Forces, pay taxes which support our local, State and Federal Governments, and contribute to the economic welfare of the country by buying goods and services. They must no longer be subjected to hardship and humiliation because of their color.

The legislation will be welcome to all of us who believe in the American ideal of equal opportunity for all our citizens and who wish to maintain the respect not only of other nations but—what is most important—of ourselves.

Thank you for writing to the Attorney General about this matter.

Sincerely,

BURKE MARSHALL,
Assistant Attorney General,
Civil Rights Division.

UNITED STATES POLICY TOWARD COMMUNIST CHINA

Mr. McGOVERN. Mr. President, on December 13, 1963, Mr. Roger Hilsman, Assistant Secretary of State for Far Eastern Affairs, delivered an important speech on U.S. policy toward Communist China. I think it is essential that we keep under constant consideration our policy toward this largest of all countries. It has been my growing belief that we cannot continue on the rather sterile course which we are now following with reference to mainland China. I hope that Mr. Hilsman's statement before the Commonwealth Club of San Francisco is an indication of growing consideration of possible alternatives to our present China policy.

I ask unanimous consent that Mr. Hilsman's address be printed at this point in the RECORD.

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

U.S. POLICY TOWARD COMMUNIST CHINA

I

(Address by the Honorable Roger Hilsman, Assistant Secretary of State for Far Eastern Affairs, at the Commonwealth Club, San Francisco, Calif., December 13, 1963)

I am honored to be invited to this distinguished forum. Here in San Francisco you stand at the gateway to the problems and promise of the Pacific. As one currently responsible for dealing with the problems and furthering the promise of this region, I feel a special obligation to you.

Asia is not on fire; but portions of it smoulder with each morning's headlines—a new South Vietnam Government struggling to defeat Communist terrorism, Indonesia in a period of confrontation with the new Malaysia, Cambodia seeking an altered power balance between East and West to preserve its neutrality and independence, and many lesser conflicts.

I could focus today on any one of these problems—and our time would be too little to do it justice. For the passions of nationalism—at its best and at its most vexing—are at floodtide in much of Asia. And out of the interaction of these passions and the threat of Communist aggression are emerging new national identities and new national purposes.

Of course, the paradox of nation building is that the ultimate guarantee of its success lies in the capacity of national leaders to transcend parochial nationalism and to understand the interdependence of all peoples. How to bring peaceful regional cooperation out of conflicting national revolutions—that is the key question.

In the Far East that question has a special significance. For the evolution of each Asian state is taking place today under the long shadows cast by China—by the China of history that was for so long the matrix of east Asian civilization, and by the mainland China of today, the torchbearer of a rigid totalitarian ideology that threatens all its neighbors.

For Americans, China presents a special problem in history. We first met Chinese civilization late in the decay of its imperial splendor. For a century we sent out to China our traders, our missionaries, our educators, our doctors, and our good will. In the turmoil that followed the Chinese revolution of 1911 we felt a special kinship with China's culture and people. In World War II we became the stanchest of allies.

Yet our involvement with China, while intense, was not wholly real; it was fed by illusions as well as good will. We knew little—and understood less—of imperial China's strength and unity. We had little understanding of the ferment and weakness created by the collapse of the confucian state. And we were little aware of the depth and fervor of Chinese nationalism in reaction to a sense of repeated humiliation at the hands of the West.

As a result, Americans were totally unprepared for the tragedy of the Chinese revolution: Its capture by Marxism-Leninism, and its transformation into a fiercely hostile force—hostile to the West, and menacing to its neighbors. Our reaction was anger and disbelief, a sense of personal betrayal.

Today, 14 years have passed since the establishment of the Communist government in Peiping. It is time to take stock—dispassionately—of the greatest and most difficult problem we face in our efforts to assist in the development of a peaceful Far East.

II

Let us begin by disposing of a myth: It is frequently charged that the U.S. Government is ignoring China and its 700 million people.

This is simply untrue. We do not ignore our ally, the Government of the Republic of China. We do not ignore the 12 million people in Taiwan. Nor, in fact, do we ignore the people on the mainland. We are very much aware of them, and we have a deep friendship for them. Nor, finally, do we ignore the Communist leadership which has established itself on the mainland. We meet with them from time to time, as at the periodic talks between our Ambassadors in Warsaw. We should like to be less ignorant of them and for them to be less ignorant of us. To this end, we have been striving for years to arrange an exchange of correspondents; but we have been put off with the assertion that, so long as the principle issue—which they define in terms of their absurd charge that we are occupying Taiwan—is unresolved, there can be no progress on secondary issues.

If we have not persuaded the Chinese Communists to allow an exchange of correspondents and to lower the wall of secrecy with which they surround themselves, we have nevertheless spent considerable effort in trying to understand what manner of men the Chinese Communists are, what are their ambitions, and what are the problems which stand in their way. We have tried to be objective, and to see to it that dislike of communism does not becloud our ability to see the facts.

III

What is the essence of our analysis? What sort of people are the Chinese Communists? What kind of power is at their disposal?

These are important questions. We shall be in danger if we let our policies be guided by emotionalism, or our thought processes by cliches. Our policies flow from the answers to these questions, and it is not enough that we prove ourselves properly anti-Communist by repeating anti-Communist phrases.

First and foremost, the Chinese Communist leaders have shown themselves to be dangerously overconfident and wedded to outdated theories, but pragmatic when their existence is threatened.

Take the example of the so-called great leap forward of 1958–60. You have undoubtedly heard that it was a catastrophe, and so it was The Chinese Communist leaders did not understand the laws of the economically possible, and they undertook to do what could not be done. The collapse was extraordinary. Agriculture has barely regained its 1957 level but there may be 70 million more mouths to feed. Industrial production fell by perhaps one-half between 1959 and 1962. The Chinese Communists first blamed the weather, then blamed the Russians. But, as their educated men must know, they have above all else to blame their own attempt to rewrite economics. I am still astounded at the arrogance of a leadership which believed that what all others have learned about economics was wrong, and that it had by some flash of illumination come upon the truth.

The failure of the great leap is not the only lesson which we may learn from this period of internal crisis. Though the economy collapsed, the regime did not. Nor was its authority effectively challenged. It retained firm command of the instruments of control.

Equally important, the leaders have learned, and publicly admit, that it will take generations before China becomes a modern industrial power. They have finally shown an ability to temper their grandiose slogans and frenetic schemes.

To be sure, communism has yet to prove that it can make agriculture work. The Communists have swallowed their Marxism and allowed the return of small private plots, but they have not abandoned collectivized agriculture. This dogmatic contrariness in a land which is still overwhelmingly agricultural may yet bring them even greater troubles. Moreover, recent failures have eroded the morale and discipline of the movement.

Nevertheless, the Communists did correct the most dangerous mistakes of the great leap forward. When their survival depended upon it, they showed flexibility in meeting the threat, and we have no reason to believe that there is a present likelihood that the Communist regime will be overthrown.

A second major fact about Communist China's leaders is their parochialism: They have seen extraordinarily little of the outside world, and their world view is further constricted by their ideology. Thirty to forty years ago, they took over certain Marxist economic assumptions and Lenin's technique for organizing a disciplined party. To these, Mao Tse-tung added certain tactical innovations. Such methods worked in their struggle for power, and they expect them to work in their struggle for modernization. I believe, however, that there are men at the second echelon who know that the great leap forward reflected a stubborn addiction to theories which do not work in a modern world. Yet I wonder whether the leadership has absorbed the same lessons.

These are the Marxist puritans: They see all the world as a conflict between unblemished good and unredeemable evil. Few people consider themselves wrong and evil, but there are very few people on earth who are so sublimely confident as are the Chinese Communist leaders that they are always right and good. They have arrogated to themselves the right to represent the revolution. Those who disagree are automatically wrong and evil. This attitude is displayed in their quarrel with the Russians.

Unfortunately, in this world there is no assurance that people are good because they think they are good, or that they are right because they think they are right. If the Chinese Communists are obsessed with their own goodness, rather than being consciously evil as they often appear to others, the threat which they pose to a peaceful world is not thereby diminished. Mao and his colleagues are simply unaware of some of the vital ideas which have moved civilization. For them, there is no problem of the relationship between man and society: The individual must yield. These men know nothing of the genuine purposes of democracy, or of constitutional government. These are men who say that "all progressive wars are just, and all wars that impede progress are unjust," and who then reserve the right to decide what is progress. These are men who comfortably clothe their own dictatorship in a cloak of doctrinal righteousness. Where such men triumph, some of civilization's most precious values are eclipsed. And they have proclaimed their determination to spread their system everywhere.

Is this permanent? Must we live indefinitely with such men?

Perhaps I am too optimistic; but there is some evidence of evolutionary forces at work in mainland China. As I have said, the present leaders have seen remarkably little of the outside world. They have conquered mainland China. They may believe that, with concepts unchanged, they can go on to conquer the world. These leaders, however, were deep in rural China when the rest of the world was debating Keynes and sharpening the tools of economic analysis. They may not yet have absorbed all the lessons of the great leap forward; but the more sophisticated second echelon of leadership undoubtedly knows that it was simple ignorance of the techniques of administering a complex economy which led to many of the mistakes of 1958. This economic example is particularly striking; it could be repeated throughout the sciences and humanities. The leaders may not know it, but the intellectuals know that the official explanation is not adequate as a description of reality. As these ideas seep upward or as the present leaders retire, this awareness may eventually profoundly erode the present simple view with which the leadership regards the world.

Furthermore, an economy becomes geometrically more complex as it modernizes, as the stages of production multiply, and as wants become more diverse. Rule by command becomes progressively less effective than encouraging the exercise of personal initiative in running such a society. The Chinese Communists have shown that they see the problem; but they have not shown themselves willing to sacrifice their doctrinal orthodoxy, as will be required if they are to deal with the problem.

In China today the old gods have been struck down, and Marx, Lenin, and Mao Tse-tung put in their place. We see no signs yet that a new credo is on the rise to replace this present pantheon. We may see a leadership professedly Marxist for some time, even if its values and priorities change. This process of change is not automatic, nor is it likely to happen very fast. Nevertheless, the present leaders have shown that they already fear it, in their efforts to resurrect revolutionary awareness. We do not know which way these changes will go, but—and here is my point—neither do the Chinese Communists.

What about the appeal of the Chinese Communists to the new nations of the world? They have scored some successes with extremists everywhere in identifying themselves as the radical end of the Communist movement.

Peiping has been alert to the worldwide opportunities for playing on nationalistic differences and prejudices and gaining toeholds within the so-called national liberation movements or among the dissatisfied and disgruntled. We may expect this process to continue. These successes, however, may be more apparent than real. As extremists approach power, they may become less radical and may weigh more heavily the questions as to who can offer them more support and more protection.

The Chinese Communists are true believers, arrogant in the assumption that other countries will wish to do things their way and will see the world as they see it; they cannot see themselves and their own beliefs as the product of a special time and place. But, if there is a tendency afoot in the world, it would seem to be in the opposite direction, as more countries look to their own national ideals and interests rather than to an unquestioning faith in Marxism-Leninism.

Thus, the Chinese Communists have set themselves up as a model for the less-developed nations. But, like the king in the fairy tale, they seem unaware that they have no clothes. Others see, though the Chinese Communists have not, that the failure of the "great leap forward" has shown the model to be gravely deficient.

IV

The tragedy of the closed and stagnant society on the mainland is dramatized by the robust survival of an alternative model for Chinese development: the record of the Government of the Republic of China on Taiwan.

Here the modernization of Chinese society has taken place outside the Communist straitjacket—and the results are extraordinarily impressive.

Of the Republic of China, I can only say: "Go see for yourself." While Communist China has suffered the disaster of the "great leap forward," Taiwan has enjoyed a sustained and remarkable economic growth. The model of Taiwan's development in the past 15 years is of increasing interest to the less developed nations everywhere. In time, the contrast with the mainland can hardly be lost upon those nations which have an opportunity to see it.

Stereotypes die hard, and Communist China by its sheer size exercises a fascination; but if the economic techniques used by the Republic of China over the next few years yield the great gains in economic and social welfare that we have reason to expect, the impact on other developing nations will be considerable. And we may see a diminution in the attractive power of industrialization carried out through the suffering which seems to be the inescapable companion of economic growth in Communist countries.

Not alone through economic accomplishment, the Republic of China has the opportunity to preserve and vitalize the humane traditions and values of Chinese civilization in the course of its modernization. These are a legacy which the Chinese Communists are attempting to eradicate on the mainland.

V

You have expected me to talk about American policy, and I have talked mostly about Communist China's prospects. I have had a reason for doing this. Policies based upon a misapprehension of reality may lead us far from the goals we seek. There has perhaps been more emotion about our China policy than about our policy toward any single country since World War II. Yet our Nation must look squarely at China, pursuing policies which will protect the interests of our country, of the free world, and of men of good will everywhere.

Our prime objective concerning Communist China is that it not subvert or commit aggression against its free world neighbors. It must not be allowed to accomplish for communism through force of arms that success which it has rarely achieved at the ballot box.

President Kennedy called our purposes in the Far East peaceful and defensive. And so they remain.

If the free world governments of Asia are responsive to the needs and wishes of their own peoples, and if they have developed the techniques and machinery for fulfilling the role of government in their countries, communism can endanger them only through the naked threat of military force. Most of the countries thus threatened are too small to stand alone against such a threat, and they need to use their resources for their people's welfare rather than for the creation of an elaborate war machine. We have undertaken in many cases to provide the protection against massive attack which will permit them to pursue their own destinies unafraid.

Our military assistance in the Far East has been given with the objective of permitting Asian nations to develop the forces to defend their own borders and to protect themselves against probing attacks and paramilitary challenges. This is a necessary and grave responsibility.

However, I think that our hearts lie in that assistance which we can give in another direction: in helping them to establish the economic and political conditions in which a free society can flourish. This is particularly agreeable to us, because these are the things which those countries would want to do, and which we would want to help them to do, whether or not communism existed.

Before I close, there is one other area in which questions have been raised about American policy, and in which a clarification of this Government's position is timely: I refer to the apparent differences in the policies which we are adopting toward the Soviet Union and toward Communist China. We maintain a policy of nonrecognition and trade embargo of Communist China—at a time when we are willing to broaden contact with the Soviet Union.

The Soviet Union and Communist China do share the goal of communizing the world. But we see important differences in the thinking and tactics of the two. In the U.S.S.R., the Communists were developing a modern industrial society precisely when in China they were conducting a guerrilla war from rural bases. The Soviet leadership seems to have absorbed certain lessons from its more extended development—as to the values and priorities which one may safely pursue on a small planet, and as to the price of miscalculating the nature of the outside world.

We believe that the policies which have proved their worth with Moscow are equally valid for our long-term relations with Peiping. But we also believe that our approach should be adapted to the differences in behavior between the two, as they relate to our own national objectives.

First and foremost, we fully honor our close and friendly ties with the people of the Republic of China on Taiwan, and with their government. We conceive of this relationship not as an historical accident but as a matter of basic principle. So long as Peiping insists on the destruction of this relationship as the sine qua non for any basic improvement in relations between ourselves and Communist China, there can be no prospect for such an improvement.

Our differing policies toward the Soviet Union and Communist China derive, secondly, from their differing attitudes toward negotiations, as such, even in limited areas. Faced with the realities of the nuclear age, the Soviet Union appears to recognize that certain interests—notably survival—are shared by all mankind. Peiping, however, remains wedded to a fundamentalist form of communism which emphasizes violent revolution, even if it threatens the physical ruin of the civilized world. It refuses to admit that there are common interests which cross ideological lines.

Third, U.S. policy is influenced by Chinese communism's obsessive suspicion of the outside world, far exceeding even that of the Soviet Union. Whereas Moscow appears to have learned that free world readiness to negotiate limited common interests is not a sign of weakness, Peiping regards any conciliatory gesture as evidence of weakness and an opportunity for exploitation.

Perhaps the best evidence of this paranoid view of the world came from Peiping's Foreign Minister Ch'en I who declared, at the height of China's food crisis in 1962, that his government would never accept any aid from America because this would mean handing our vast market over to America. Given the near-subsistence level of the society and the limited purchasing power of the government, this view of American intentions could only be conjured up by men possessed of an unremitting distrust of all external peoples and a naive sense of their own economic prospects.

Fourth are the differing circumstances and opportunities on the peripheries of the Soviet Union and Communist China. The Soviet Union and European members of its bloc border on long-established, relatively stable states defended by powerful, locally based—as well as more distant—deterrent and defensive forces. Communist China's neighbors, on the other hand, include newly established states struggling to maintain their independence, with very limited defense forces. There is a wider range of opportunities for aggression and subversion available to Peiping, which renders it even more important that in dealing with Peiping we not permit that regime to underestimate free world firmness and determination.

Much speculation has turned around the question of possible commercial relations between private American firms and Communist China, especially in view of the declining trade between Communist China and its Soviet bloc partners. Peiping's own policies however, seem crystal clear on this point. Peiping apparently wants none of it. As one of its trade officials recently declared, "We have a very clear attitude. We won't trade with the United States because the U.S. Government is hostile to us." The Chinese Communists follow Mao's maxim that "politics and economics are inseparable." They made this clear in their unilateral rupture of contracts with Japanese firms in 1958 and their willingness to jeopardize major industrial projects as the price for carrying on their dispute with the Soviet Union in 1960.

In sum, while respecting the right of others to view the matter otherwise, we find important differences in the willingness and ability of the Soviet Union and Communist China, at the present stage of their respective development, to reach limited agreements which can bring some reduction of the terrible dangers and tensions of our present-day world. We believe that policies of strength and firmness, accompanied by a constant readiness to negotiate—policies long and effectively pursued with the Soviet Union—will best promote the changes which must take place on the China mainland before we can hope to achieve long-sought conditions of peace, security and progress in this half of the globe.

President Johnson said that:

"We will be unceasing in the search for peace; resourceful in our pursuit of areas of agreement even with those with whom we differ. We must be prepared at one and the same time for both the confrontation of power and the limitation of power—we must be ready to defend the national interest and to negotiate the common interest."

We are confronted in Communist China with a regime which presently finds no ground of common interest with those whose ideals it does not share, which has used hatred as an engine of national policy. The United States is the central figure in their demonology, and the target of a sustained fury of invective. After President Kennedy's assassination, while other nations—Communist and free—shared our grief, the Chinese Communist Daily Worker published a cartoon of a man sprawled on the ground, with the caption "Kennedy Bites the Dust." If this speaks for the Chinese Communist leadership, I am confident that it does not speak for most Chinese.

Americans—businessmen, missionaries, diplomats—have long felt a particularly close rapport with the Chinese. In World War II, American pilots downed in Communist areas came out with moving accounts of Chinese helpfulness and friendliness. The Communists had not destroyed those attitudes then. I doubt they have succeeded in destroying them now.

We do not know what changes may occur in the attitudes of future Chinese leaders. But if I may paraphrase a classic canon of our past, we pursue today towards Communist China a policy of the open door: we are determined to keep the door open to the possibility of change, and not to slam it shut against any developments which might advance our national good, serve the free world, and benefit the people of China. Patience is not unique to the Chinese. We too can maintain our positions without being provoked to unseemly action or despairing of what the future may hold. We will not sow the dragon's seed of hate which may bear bitter fruit in future generations of China's millions. But neither will be betray our interests and those of our allies to appease the ambitions of Communist China's leaders.

We hope that, confronted with firmness which will make foreign adventure unprofitable, and yet offered the prospect that the way back into the community of man is not closed to it, the Chinese Communist regime will eventually forsake its present venomous hatreds which spring from a rigid class view of society. We hope that they will rediscover the Chinese virtue of tolerance for a multitude of beliefs and faiths; and that they will accept again a world of diversity, in place of the gray monolith which seems to be communism's goal for human society.

On November 27 President Johnson said: "The time has come for Americans of all races and creeds and political beliefs to understand and respect one another. Let us put an end to the teaching and preaching of hate and evil and violence. Let us turn away from the fanatics of the far left and the far right."

President Johnson was talking about America. But the words are valid for all mankind.

U.S. DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEE ENDORSES VOLUNTARY WHEAT CERTIFICATE PLAN

Mr. McGOVERN. Mr. President, I am pleased with the announcement issued late yesterday by the Department of Agriculture that the National Advisory Committee on Feed Grains and Wheat has endorsed a voluntary wheat program, financed through a system of marketing certificates—a voluntary wheat certificate plan.

The announcement is gratifying to me, Mr. President, not only because I introduced such a program in Senate bill 1946 earlier this year, but because this endorsement means that the great bulk of wheat producer associations, farm organizations, and the administration can now unite behind one program for this vital food grain. It means that it is now possible to adopt a new program before spring wheat is planted and while there is still time for most winter wheat growers to get into compliance.

It means that we can prevent the $600 million decline in farm income foreseen in the recent Agricultural Outlook reports along with resulting economic hardships in the cities, towns, and farms of the wheat country.

It means that reduction of our surplus stocks of wheat can continue.

It means that there will not be a flood of wheat into the feed markets to disrupt the voluntary feed grain program which has been so successful.

I submit for the RECORD, Mr. President, the release as it was issued by the Department for the Advisory Committee, including a list of the outstanding producers, economists, and trade people who compose the Committee, and ask unanimous consent that it be printed in the RECORD.

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

COMMITTEE ASKS QUICK ENACTMENT OF WHEAT PROGRAM TO AID FARM INCOME

The U.S. Department of Agriculture's Advisory Committee on Feed Grains and Wheat today recommended that Secretary of Agriculture Orville L. Freeman press for quick legislative enactment of a voluntary wheat program to avert a sizable drop in farm income.

This program would take the place of the mandatory wheat program rejected by farmers in a national referendum last spring, and would preserve the basic program features of present law on a voluntary basis. Without new legislation, the 1964 crop support price will be about $1.25 a bushel and returns from wheat would be about $600 million below 1963, according to USDA estimates.

The Committee also recommended that improvement in incomes of wheat and feed grain producers continue to be a goal of farm programs.

By a wide majority, the Committee favored financing the voluntary wheat program through a system of marketing certificates, rather than a system of compensatory payments. Under the certificate plan, returns to farmers, and cost of wheat foods to consumers would remain near recent levels.

The Committee met December 16 and 17 at USDA to advise Secretary Freeman on major legislative proposals and other matters in connection with feed grains and wheat.

Discussions of the Committee were generally within the three basic administration guidelines for farm legislation: To improve farm income, cut Government costs, and reduce Commodity Credit Corporation stocks.

Committee members attending the meeting were Glen L. Bayne, Prosser, Wash.; Palmer Beebe, Dowagiac, Mich.; Keith Carlson, Edwall, Wash.; Clay L. Cochran, Alexandria, Va.; Ralph H. Cole, Lincoln, Nebr.; Hilliard Currin, Brownsville, Tenn.; William E. Dimond, Lovington, Ill.; Curtis L. Edwards,

Panhandle, Tex.; Harold O. Edwards, Tekoe, Wash.; Joseph N. Gill, Hartford, Conn.; Walter W. Goeppinger, Boone, Iowa.

Ray Allen Goldberg, Chestnut Hill, Mass.; Joseph B. Gregg, Prairie Village, Kans.; Charles J. Hearst, Cedar Falls, Iowa; Fred W. Heinkel, Columbia, Mo.; Anson R. Horning, Larned, Kans.; Raymond E. Jackson, Headrick, Okla.; Woodrow W. King, Rock Falls, Ill.; Horace M. Layman, Decatur, Ala.; Z. A. McCasland, Clovis, N. Mex.; Thomas B. Mezger, Woodland, Calif.

John E. Mitchell, Flat Rock, Ind.; Orlando Odegard, Buxton, N. Dak.; Reagon Gray Peeler, Hereford, Tex.; Cushman S. Radebaugh, Orlando, Fla.; Lail W. Schmidt, Lamar, Colo.; Jack L. Smith, Condon, Oreg.; Don A. Stevens, Minneapolis, Minn.; Hassell Thigpen, Tarboro, N.C.; Thomas F. Toohey, St. Paul, Minn.; Gordon R. Twedt, Rudyard, Mont.; and Donald Wooten, Crosbyton, Tex.

SENATOR McGEE SPEAKS OUT FOR REA

Mr. McGOVERN. Mr. President, for many months we have seen a sustained attack on the Rural Electrification Administration and the principle of cooperative, consumer-owned electric companies. This attack threatens the continued success of a development which has transformed American agriculture and made it a part of the space age.

Mr. President, my good friend and colleague, the senior Senator from Wyoming [Mr. McGEE] recently spoke to the sixth annual meeting of the Midwest Electric Consumers Association, Inc., in Denver, Colo. In that speech the Senator from Wyoming, Senator McGEE, not only presented an astute analysis of the problems facing REA systems, but gave a stirring challenge for those who believe in this idea to face the demands of the future and work for the proper and logical development of our tremendous resource potential in this Nation.

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

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

ADDRESS BY THE HONORABLE GALE W. McGEE, U.S. SENATOR FROM WYOMING, AT THE SIXTH ANNUAL MEETING OF THE MIDWEST ELECTRIC CONSUMERS ASSOCIATION, INC., DENVER, COLO., DECEMBER 9, 1963

CONSUMER-OWNED POWER AND THE RACE FOR TOMORROW

President Bonar, association officers, members, friends, today I speak to you at a time when the entire Nation is taking stock of itself. In the wake of the awful tragedy of President Kennedy's assassination, we have been forced to look inward to see whether our goals and our aspirations for ourselves and for our Nation measure up to the standards set over the years by the men who created and developed this great Nation. And many of us, far too many, have found something of shame and embarrassment in this self-evaluation. The values that once seemed so real, so meaningful, now seem to be tinsel and tissue paper. The goals we sought, now are sham and delusion. Those who once mouthed the oversimplifications and the vilifications of the fright peddlers and the bitter denunciations of the professional bigot now find a bitter aftertaste and the realization that they had abandoned not only the course of reason and good will, but had lost touch with the realities of life in the 20th century.

And now we have been abruptly brought face to face with hard reality—the reality that if you preach hate and discord, nonsense and ignorance, those whose souls are twisted by hate and nurtured by ignorance will take you literally. The end result is an action that even today, almost 3 weeks later, still defies belief and reason.

My point in probing into this national wound is to suggest that the reexamination of our national purpose it has engendered can be of great benefit to the cause of progress and national development. There are many who will not face the challenge to our future because they look only backward. They may now be willing to listen at least to a little of what we have to say.

In few areas of national concern is there more heat and less light than in the discussion of the relationship between consumer- and investor-owned power systems. Since this relationship and the growth and development of both systems are of vital concern to all of you here, I propose to speak at some length on this subject. First, however, I would like to talk about the whole picture of which electric power is a part.

NEW ECONOMIC DEMANDS

This picture is of the United States of America in the year 2000. The picture is of a nation in the midst of economic growth and development and providing a new and vastly improved way of life for its citizens and positive leadership for the world. Or the picture is of a nation beset by problems of shortage and supply, faltering here for lack of a mineral, lagging in development there because the population has outgrown the power supply. This is the choice of pictures, the two views of the future that we here today can see and that we here today in the 1960's will choose—by our actions or lack of them—for our children and grandchildren.

Let us consider some of the demands that will be made on our economy by the year 2000. And let me remind you that our experts have a distressing habit of shooting way under the mark when considering what our future needs will be. Nevertheless, the figures I have collected show that at the turn of the century we shall use each year nearly 200 million tons of steel and iron, an increase of 170 percent over 1960 production. The miracles of modern metallurgy are evidenced in the projected annual need for 151.5 thousand tons of molybdenum, an increase of 853 percent. Similarly, the demand for aluminum will increase 844 percent in the next 40 years.

Our petroleum consumption will jump from 3.2 billion to 10 billion barrels or 214 percent. Our municipalities in the West now use 3.7 billion gallons of water a day. By the year 2000 they will need more than 20 billion gallons.

In an area with which you are familiar, I will point out that in 1960 our Nation used a total of 845 billion kilowatt-hours of electricity. Your grandchildren in 2000 will be consuming 4,711 billion kilowatt-hours, and I hope that it will be there when they flip the switch.

VAST RESOURCES

These figures go on for a long time. But what they all say is that we are going to have unprecedented demands upon our national resources in the very near future. And it should be obvious that our national existence depends upon how well these demands are met.

The problem we face is serious, but it could be worse. For the resources that we need exist; the problem will be to provide for their proper utilization. The minerals and mineral fuels are in the ground, our farmers have demonstrated—too well for the moment—their capacity to grow more and more food with less and less labor. Thermal, hydroelectric, and nuclear electric power potential is all but unlimited.

Three years ago I had the Geological Survey prepare a report on the mineral resources that exist in my State so that we would have, collected for easy reference, some idea of our potential for growth. Now I am accustomed to dealing in superlatives when it comes to the State of Wyoming, but I must admit that I was truly amazed when that document was prepared. There are in Wyoming 9 metals in the earth, and 14 different substances classified as useful minerals and construction materials. Naturally, the report reflected our vast petroleum potential and our deposits of oil shale. In addition to all this, the report noted that 41 percent of the State is underlaid with coal.

Now while Wyoming is naturally a leader in many fields, it is not unique in this regard, and certainly the other States represented here today have similar potential. The problem is to convert this potential into production. This will involve new ideas and new effort. New ways to utilize mineral deposits not now workable must be developed. New techniques of mobilizing every drop of water and every acre of suitable land must be explored. Much of our present range and forest land is in a sad state of repair. Erosion, disease and insect damage, and improper utilization have combined to rob us of vast amounts of pasture and lumber. Rehabilitation programs must be initiated and carried out.

Billions of gallons of water now run unused into the sea, evaporate from reservoirs, are contaminated into uselessness or are wasted in other ways. Just this month the new nation of Algeria launched a full-scale tree-planting program to prevent the Sahara from squeezing it into the Mediterranean. The rise and fall of civilizations throughout the Mideast reflects the misuse of water and nature's system of water conservation. As a member of the Senate Select Committee on National Water Resources, I have followed this problem closely. While I will not submit to you any more statistics, I will say that, if this waste is permitted to continue, things are going to be pretty dry around the country in a very few years.

ATTACK ON PROGRESS

For at some length now, I have gone on about the subject of natural resources, because I am convinced that we cannot stress the need for orderly and immediate development too strongly. We in this Nation need more and more people willing to take up the cause of resource development. Because for every person who is willing to face and to plan for the future, there is another person who clings to the status quo as if it were the magic key to survival. To many, planning on any large scale is heresy. These people would not dream of living without insurance, yet they resist effort to provide even more vital life insurance for their Nation's future. These are the people who in the 1930's decried the TVA as an unwarranted encroachment on the private domain and saw nothing but waste in the hydroelectric projects in the West. Yet, where would we be today if it had not been for the electric power produced by these projects and fed to our aluminum producers and to those strange operations taking place at Oak Ridge, Tenn. Literally hundreds of small private enterprise businesses, moreover, sprang up in their wake.

This brings me back to the subject which has brought all of you here—electricity. I have been speaking of those people whose look at the world is distorted by preconceptions and prejudices of an old order that believed the many existed to support the few and that any interference with the right to take as much as economic or political power would permit was thwarting divine providence. These peop.e have many targets—

labor unions, urban renewal, the income tax, the United Nations, farm programs, social security, and the Rural Electrification Administration.

The size and persistence of this attack was made very plain to me just recently in Washington. Into my office came the December issue of a very popular magazine that usually prints condensed articles that have appeared in other magazines. It has one of the highest circulations in America. In this issue is an article, not reprinted from anywhere else, entitled "The REA—A Case Study of Bureaucracy Run Wild." If any of you aspire to the propagandist's trade, be sure to read this article. It is a masterpiece—a masterpiece of distortion, omission, half-truth, and innuendo.

ONLY HALF THE STORY

You probably can guess what this article said if you haven't yet read it. It claimed that the REA was in unfair competition with private-power companies who found their great willingness to provide electricity to everybody at extremely low prices thwarted by a monstrous bureaucracy. Not only are REA's getting cheap loans from the Government, they are building generating plants that duplicate existing private facilities and developing in urban areas with "needless" loans, according to this article. I will not go into further detail; I'm sure most of these charges have been heard by you before—and you will probably be hearing them again since this magazine very generously sells reprints of articles such as this in wholesale lots.

It might be interesting to ask the authors of this article where the private-power companies were 30 years ago when less than 10 percent of our farms were electrified. And if they now insist that REA loans are unfair because the government pays more than 2 percent for its borrowed money, why they did not seek a lowering of the REA loan rate years ago when the Treasury was paying less than 2 percent for its money. Does the fact that the average cooperative-power company has 3.3 customers per mile of line while the average private-power company has 32 per mile have any bearing? I think it does, but the authors of this article do not. Nor do they mention the fact that individual cooperative-power organizations invest $4 of their own money for each $1 in government loans, or that last year the repayment of these loans passed the $1 billion mark. And I am wondering if the private companies are prepared to accept the requirement that holds for the cooperative organizations that they furnish power to almost everybody in their distribution area who wants it and not just to those who fit into their geographic distribution.

It would be interesting to refute this article point by point, but this is a defensive action; and we must offer the positive side of the argument if we are to be successful.

FARM WIFE GAINS

If ever there has been a revolution in an industry, it has been in the agricultural industry. And the impetus for that revolution is in the electric power provided by the REA. Many of you here remember full well when a farmer's life was a life of perpetual drudgery, the repetitious performance of chores and a life with little recreation in virtual isolation from the rest of the world. Today these chores are done automatically by electric milkers, feed grinders, and the like. The farm house is warm and filled with light, the plumbing is inside, it is no longer a major project to take a bath. And the world, brought near by the automobile, is present—perhaps a little too loudly—in the living room through television and radio. The farmer's life is still no vacation, but he is now part of the modern world with the worst of the drudgery and uncomfort removed.

Some of the greatest benefits of rural electrification have been gained by the farm wife. No longer is she numbed by continual manual labor and a spirit of deadening drudgery. Senator PAUL DOUGLAS, Democrat, of Illinois, has told me of a friend who is a Methodist minister in southern Illinois who attributes to REA a lessening in the divorce rate among farm couples. The husband and wife are no longer so tired and worn at the day's end, he said, and thus less prone to argue and fight with each other.

The world has changed since the original powerlines worked their way out into the country. Areas once completely rural are now suburbs. Little industries, with more than little power demands, are locating away from the crowded cities in towns and hamlets. The cooperative-power companies, who brought the initial power to this area, are ready, willing, and able to meet the new power demands of the space age. But now—now that the power needs are up, it is determined by those who by some mysterious mandate set right from wrong that cooperative power must now leave these areas—the areas that once nobody else would take—so that private power can take over and make their rightful profit. It is becoming increasingly difficult to maintain a good humor in the face of this argument. Yet, lest I be misunderstood, the question in power generation is not either or; private versus co-op. Rather the need—and desperately so—is for both. We can ill afford the reckless activities of one to destroy the other. Our future cries out against such shortsightedness.

In spite of this, not a year passes in the Senate—particulary in the Appropriations Committee—when there isn't a quiet, or unadvertised, or sly move made to erode the position of the electric co-ops. It is this persistent attempt to put them out of business that should point up the need for urgent and alert awareness of the political implications which currently threaten the REA's around the country. For altogether too long members, and presumably believers, of and in REA co-ops have taken their existence for granted. They have assumed that their role was so clearly defined by history that it could never be challenged. But it is being challenged—and in a way that may injure, or even wipe out, the great gains of REA co-ops.

TOP PRIORITY

Therefore, it is incumbent upon every person interested in the broad principle of the REA to stop taking this development for granted and start fighting for its preservation. This means more than just talk. It means action. A one-word synonym for action is "votes." Every electric cooperative member ought to place the preservation of the co-ops at the top of his priority list of election-year issues before it is too late.

All of this is said even at the very moment that the cooperative movement is doing its finest job in keeping up with the space age. Nor in no sense is it threatening to put private power out of business. It will surprise many to find that the ogre of cooperative power sells to less than 20 percent of the Nation's power consumers. Despite this disparity in size, the REA's across the land have kept up with the vast increases in power demand. Once electricity is available, its uses multiply with great rapidity. The Main Street merchants who have sold more than $1 billion in appliances, wiring and equipment should not forget this fact. An REA generation plant using atomic energy has recently opened for business in Elk River, Minn. New techniques for generation are being tested in many places.

In this regard, I would like to mention a new development that possesses the potential for a vast new electric-generating potential in the West. You will get the technical details here tomorrow morning, but I would like now to consider the overall meaning of this development. I refer to the development of practical air-cooled, thermal generating plants. As you know, a lot more of the West has coal than has water. Many sites that were ideal by all other considerations were ruled out for generating plants because they lacked the necessary water. Now it is possible—or will be shortly—to generate this power from coal without the water. This is a breakthrough of tremendous importance to the West. And it is significant all the more because it can be coupled with the new long-distance, high-voltage transmission techniques so the power can be sent to where it can be used.

SPEED DEVELOPMENT

Thus, we can take advantage of the fact that power demand peaks at different times in different areas and send our power the extra hundreds of miles to other time zones and other climates where it can be efficiently used. I need not tell you what the passing of the steam locomotive has done to the coal industry in Wyoming and other Western States any more than I need tell you what the realization of this new technique could do for the coal industry and, therefore, to the whole Western economy.

I would propose that the work on this process be accelerated with as much speed as is possible and would tell you of my intention to institute whatever action is necessary in the U.S. Senate to make sure the facilities of the Government are being put to maximum use in this development.

We have talked abou' many things here today, but there is a constant thread that has run through all these remarks and that is the knowledge that for every plan we propose to meet the challenge of the future, for every attempt to consolidate and strengthen the gains of the past, there are those who say no. They give impressive arguments and insist that theirs is the only truly American way. And too often they monopolize the idea channels of our society.

CHALLENGE FOR FUTURE

At the beginning I said that we have been cruelly shocked into a period of reexamination of our national purpose. And this, then, is the time for those who would face the realities of life and the realities of the future to press forward with word and deed. When you hear the propaganda assaults on cooperative power or on resource development, do not turn away to avoid unpleasantness and controversy. You must defend these ideas on the firing line of Main Street, in the social clubs, and the barber shops. Americans have traditionally been able to make the wisest choice when they have all the information at hand. And providing that information is your job.

I looked for some time for a significant quotation with which I might end these remarks—one that would convey to you the challenge of the future and the responsibility to meet that challenge. And I believe that I have found what I was searching for. The statement I shall read to you was made last year in Pierre, S. Dak. by John Fitzgerald Kennedy:

"The role of the REA is not finished, as some would believe. We are rapidly approaching the time when this Nation will boast a 300 million population, a $2 trillion national income, and a grave responsibility as the breadbasket and food market for a world whose population will have doubled. That is the prospect for the end of this century—and the key to this century is power—power on the farm as well as the factory—power in the country as well as the city. As the need for power on the farm and the countryside continues to increase, electricity rates must remain low—more generating capacity must develop—and soon the vast resources of nuclear energy must be tapped.

This is not a choice between spending and saving—for REA is a form of saving: saving hours and lives on the farm—saving farms for our Nation's needs—and saving and returning to our Nation's government every dollar loaned, with interest. Our electric power needs will double during this decade—our economic, military and international posture will require a continuing ability to find new sources of energy. Surely a continent so rich in minerals, and a society so replete with scientists and technicians can meet this challenge by making the best possible use of all our energy resources and all who are engaged in transmitting it."

CRITICISM OF 88TH CONGRESS

Mr. HRUSKA. Mr. President, the recent rash of articles, editorials and news stories critical of the 88th Congress might well leave the impression that this criticism reflects general public opinion.

From their daily mail, Senators, of course, know this is not the case. They know that the function of the Congress is *not merely to produce* laws indiscriminately. They realize that our role is not unlike that of the loan officer in a bank who reviews loan applications, granting the good ones and rejecting the bad ones. So it is with legislation. Our purpose, indeed our duty, is to review bills to act advisedly by enacting the good ones and rejecting the bad ones.

I wish to share with the Senate a letter I have just received from a most perceptive citizen of McCook, Nebr., Mr. Wade Stevens, who has practiced law there for more than 40 years.

He has sent me a copy of a letter addressed to the Saturday Evening Post and I ask unanimous consent to have it printed in the RECORD.

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

McCOOK, NEBR., *December 12, 1963.*

The SATURDAY EVENING POST,
New York, N.Y.

GENTLEMEN: Your editorial "The Waterlogged Congress" and the article by Stewart Alsop, "The Failure of Congress," both in the December 7 issue, should not go unchallenged. You state that "as presently constituted, Congress is not truly representative of the people."

The fact that the "four major objectives" have not been enacted is most likely due to the fact that Congress does represent the people and that each Member knows something about what his constituents are thinking. It is possible that the people do not want a tax cut without reduced spending; that they do not want a civil rights bill which destroys important rights; that they know that an aid-to-education bill is not necessary or desirable; and that medicare is too socialistic for the American stomach.

There was a time when the legislative, executive, and judicial branches of government were supposed to have their separate functions. Your thinking appears to be that the legislative was made for the executive and that unless the Congress performs all of the whims of the administration it becomes a failure and no longer represents the people.

Very truly yours,

WADE STEVENS.

AN INTERNATIONAL EPIDEMIOLOGICAL YEAR

Mr. HUMPHREY. Mr. President, in all the field of international cooperation, there is perhaps greater agreement on one phase than on any other—the need to cooperate on world health.

It is almost universally recognized that in this "jet age," the citizen of every country is every other man's neighbor. He is, thanks to modern flight, no more than a few hours away, meaning just a few hours away from conditions of health or of disease, communicable or otherwise.

For a number of years, there have been proposals for launching an all-out effort for a breakthrough for health in geographic areas which have been riddled with pestilence from time immemorial.

One of the inspirations for such an effort was the success of international teamwork in the famous International Geophysical Year.

SENATE RESOLUTION FOR IHY

Twice I have offered, and twice the Senate has unanimously approved, a resolution for an international public health and medical research year, known popularly as IHY.

This concept was likewise unanimously approved by the United Nations General Assembly.

But when IHY was turned over to the World Health Organization, that great body found, unfortunately, that its finances were so desperately limited that it had no alternative but to defer action indefinitely on such a year.

The fact is that few other industrialized nations have been willing to help shoulder the increased costs for such an intensive new program. And the developing nations are, of course, so hard-pressed financially that they can fulfill even their limited existing health programs only with difficulty.

A way has been sought, therefore, for a more modest, lower cost, yet meaningful world health surge.

PROPOSAL FOR IEY

In Sunday's New York Herald Tribune, the distinguished science editor, Mr. Earl Ubell, has made an important proposal for one type of concentrated international counteroffensive against disease.

He proposes what he terms "IEY"—an International Epidemiological Year. It would be a year in which the combined scientific resources of the world would be mobilized to study the geographic distribution of disease.

Once science would come to know better where disease exists, in what numbers and severity, it could proceed to pinpoint the groups who are actually stricken by disease—that is, what race, religion, sex, age group, cultural group. By adding to these clues such key facts as that group's eating habits, circumstances of work, natural environment, and so forth, science could unlock answers to current mysteries of disease.

This type of detection is known to science as the discipline of epidemiology. It is not a new discipline; history is full of its successes. But it is a discipline which has hardly been tapped to a fraction of its potential.

As in the case of other scientific efforts, its use is not without some controversy. Sometimes, for example, scientists question a conclusion which correlates one set of facts of incidence of disease with another; thus, they contend, the correlation may be a matter of coincidence, not of cause and effect.

Be that as it may, the science of location of where disease strikes, whom it strikes, how it strikes, is an established, long-proven, valuable science.

Mr. Ubell's suggestion is entitled to the most earnest consideration by the World Health Organization and the international scientific community.

MANY VALUABLE ASSETS TO IEY

The suggestion has many virtues: First, it would involve genuine cooperation on a two-way basis by both the "haves" and the "have-not" nations, second, it could be mutually beneficial—it could track down clues to such diseases as cancer, heart disease, arthritis, and so forth, which are the foremost health concerns in the Western World, and the communicable diseases which are the principal killers in the emerging nations; third, it would build on present foundations; it would not be so completely new as to lack effective roots. Many oversea epidemiological studies have been made in recent years under both international and national auspices—by WHO, by our own National Institutes of Health, by private American foundations, by some foreign sources; fourth, it would seek the possible. It would not set goals so impossibly high as to be unrealistic and frustrating. For example, indigenous epidemiologists who are in short supply in many deprived countries could be trained to perform helpful duties without too much cost and without taking too long a time; fifth, IEY would lay a basis for continuous action, long after it had nominally ended. Of course, no mere 12- or 18-month effort can alone provide a permanent answer.

SENATE SUBCOMMITTEE'S WORK

And so, I commend this proposal. This commendation is based, I might add, not on a one-shot examination, but on the basis of years of prior study from a policy standpoint.

In 1959, a Senate Government Operations Subcommittee, of which I am chairman, made a study on the importance of epidemiology.

We published the study as the sixth print in our "international health" series. The print was circulated throughout the world and was widely commended.

As Mr. Ubell correctly states, however, our study's suggestions were, unfortunately, not "picked up" by others in dynamic action.

The time is overdue for such action. Let us first survey what epidemiological studies are now underway, under whose auspices, where and how; and second, what important studies are "on the shelf"—have been sidetracked for lack of men and money.

Then, let a conference of the world's greatest epidemiologists be convened.

Let it lay plans for coordination of the present largely haphazard studies.

Let it set up a proposed program, a system of priorities and a blueprint for task forces to work on tracking down clues on major categories of disease.

And then, let there be an International Epidemiological Year. Let the United

States take the initiative, as it so often has, to its great credit and to mankind's benefit.

We have the resources. We have the largest numbers of highly skilled manpower—at NIH, in the Department of Defense, at the famed Communicable Disease Center of the Public Health Service in Atlanta, and in State and city health departments across the land. We have the will. And we will be serving ourselves, as well as others.

I ask unanimous consent that Mr. Ubell's article be printed at this point in the RECORD:

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

[From the New York Herald Tribune, Dec. 15, 1963]

COUNTING OUT DISEASE: ONE, TWO, THREE—A MILLION

(By Earl Ubell, science editor)

What is the Bantu to you, or you to the Bantu,
That you should count of them?
—With apologies to William Shakespeare.

It started with a pump handle in London and may well end with conquest of cancer and most of the ills of mankind. It is epidemiology, the science of counting noses, of determining who is sick and who is well and of isolating the disease generators—be they germs, contaminated water, cigarette smoke, or diet.

Dr. John Snow removed the pump handle from the London well in 1854 after he counted the cholera cases and spotted them on a map. By the way the cases clustered around the neighborhood of the pump, he indicted the water as a cholera carrier long before science suspected a cholera germ.

Just last week the Snow technique reached its zenith with another installment of the American Cancer Society's mammoth study of a million persons. The clusters of numbers tied cigarette smoking to lung cancer, heart attack, breathing troubles, and cancer in general. The society's scientists did it with computers, questions, and head counting.

Yet the lesson of the cancer society's achievement goes far beyond cigarettes: It exhorts the nations of the world to get together and apply John Snow's method to every ailment from pinworms to cancer, to every people in every land. At this moment in history, opportunity, technology, and manpower are prepared as never before.

And the nations already have a model for this sort of scientific cooperation in the fantastically successful International Geophysical Year, a period of 18 months that started in 1958 and in which more than 60 countries banded together and spent hundreds of millions of dollars to plumb the mysteries of earth, sky, and sun.

Why not, then, an International Epidemiological Year?

Out of such a scientific enterprise (at a far cheaper price than IGY), could come untold medical riches. With much poorer instruments the head-counters in the past brought about control of smallpox, childbirth fever, typhus, malaria, yellow fever, beriberi, pellagra, scurvy. Nobody poohpoohed their efforts as "just statistics."

Though there is much statistical work left to be done on infectious diseases, epidemiology has moved into the field of chronic ills—heart ailments, cancer, mental disease and the afflictions of age. Even now, epidemiology has already thrown up clues to those terrible disorders.

The Bantu in South Africa, who live on a diet low in animal fat, have arteries free of cholesterol—a hint concerning the origin of the disease in New York. In Central Africa, a strange cancer-like disease of the jaw seems to be the first example of a cancer caused by a virus. And a crude survey of people all over the world indicates that schizophrenia may be inherited as is eye color, hair curliness and skin shade.

But more than indicating to medical science the directions to follow in the laboratory, epidemiological research frequently points directly to ways of preventing the ailment: you remove the pump handle to stop cholera, you introduce fresh vegetables and meat into a pellagra region, you vaccinate against smallpox. You need not know the "real cause" of the disease, only the epidemiologically indicated cause.

An International Epidemiological Year (IEY) could provide a channel for the worldwide distribution of this powerful scientific tool. And IEY could give Western scientists fresh access to those natural situations (like the Bantu) that illuminate Western afflictions. An IEY could give underdeveloped countries the first real measure of the extent and kind of disease that ravages their populations.

An IEY could start out modestly with a conference of the world's leading epidemiologists, just as the IGY started out with a conference of geophysicists. Then later, the nations of the world could put the power of their money and sovereignty behind the exploration of the world of disease.

The next step could move on to simple epidemiological problems. For example, in some parts of the world the fall of a man is hardly marked more accurately (or even at all) than the fall of a sparrow. The World Health Organization (WHO) estimates that only a third of the world's deaths are registered, to say nothing of the listing the cause of death.

In the next stage, multination disease surveys carried out simultaneously under standardized conditions could reveal the source and prevention of such diseases as cancer, arthritis, and other chronic ills.

In 1959 the Senate Subcommittee on Reorganization and International Organizations under Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, provided a kind of outline for an IEY with a committee report on "Patterns of Incidence of Certain Disease Throughout the World—Opportunities for Research Through Epidemiology." But nobody took up the challenge.

Instead a proposal came forward for an International Medical Year in which it was suggested that scientists from different lands work in this country and vice versa, a process that goes on naturally anyway. Usually such exchanges mean that the medical "haves" hand down their medical wisdom to the "have-nots."

An IEY, however, provides a means for real international medical cooperation. It is not the rich countries giving to the poor, but each nation providing, through the happenstance of natural disease conditions, the data to control disease worldwide.

In an IEY, the South African Bantu contributes as much to the health of the man walking the streets of New York as an Atlanta polio expert does to the Indian of the jungles of Guatemala.

A TRIBUTE TO CHARLES SIRAGUSA, A COURAGEOUS PUBLIC OFFICIAL

Mr. HUMPHREY. Mr. President, one of the most important, continuing efforts in the Nation today is the suppression of the illegal use of narcotic drugs.

A recent dinner, cohosted by Mr. Harry J. Anslinger, former Federal Commissioner of Narcotics, and Mr. Sam Pryor, of Pan American World Airways, honored Mr. Charles Siragusa, who is leaving the post of Deputy Commissioner of Narcotics to take the position of executive director of the Illinois Crime Investigation Commission.

Mr. Anslinger was kind enough to write a report on this dinner and the effective work of these men. His communication includes the texts of letters from President Johnson, Attorney General Kennedy, and Treasury Secretary Dillon. I ask unanimous consent that Mr. Anslinger's letter be inserted in the RECORD at this point.

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

The Honorable HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: We were profoundly disappointed that you were unable to attend the dinner for Mr. Charles Siragusa, Deputy Commissioner of Narcotics, who has recently been appointed executive director of the Illinois Crime Investigating Commission. We know that the urgency of events dictated your absence. Knowing your intense interest in the narcotics problem, particularly as you are widely recognized in the pharmacy profession, in accordance with your request, I will give you a brief résumé of the farewell dinner which was held at the Hotel Stater Hilton on the evening of December 11, 1963.

Mr. Sam Pryor was my cohost at this dinner. Mr. Pryor is a dedicated public-spirited citizen. He has wide-and-varied interests in the business world. I wish, along with many others, that there were businessmen in this country who have such a vital interest in law enforcement. He has been extremely helpful to the Bureau, not only in the United States but in other parts of the world in suppressing the abuse of narcotic drugs. In Connecticut, he is a stanch supporter of law enforcement agencies. Some few years ago, at my suggestion, Mr. Pryor enrolled in the Federal Bureau of Narcotics Training School, and graduated from that school with honors.

Mr. Pryor, in paying his respects to the outstanding career of Mr. Siragusa and regretting his departure from the Federal service, said that the foundation of freedom in all countries and communities was good law enforcement.

Senator THOMAS J. DODD, chairman of the Senate Committee on Juvenile Delinquency, related that in that afternoon the Senate had just paid tribute to the late President John F. Kennedy and he explained how this all-serious of tragic events had close relationship with good law enforcement. Senator DODD is highly respected by all law enforcement agencies, being an alumnus of the Federal Bureau of Investigation.

In introducing the guest of honor, I pointed out that in 25 years of reading the reports of Charles Siragusa and his accomplishments in breaking up international narcotic gangs, international counterfeit rings, and his many other activities for the Armed Services Investigating Agencies, his stopping the diversion of highly strategic materials to Iron Curtain countries; also, showed his many extracurricular investigative activities which he had been requested to undertake on behalf of foreign governments. I stated, also, that he had many awards, had been Italian-American Man of the Year, and received one of the highest decorations by the Government of Italy; these medals having been deposited in the Department of State.

His top superior in the Treasury, the Honorable James A. Reed, Assistant Secretary, spoke of his close association with Mr. Siragusa in law enforcement work, particularly in his travels in many countries, much of

which time was devoted to narcotic enforcement. Mr. Reed has been a stanch supporter of the Bureau, especially in relation to the 1961 Narcotic Convention, which we hope will not become operative, as it would destroy many of the controls and safeguards of previous nine treaties and protocols.

Mr. Reed's predecessor, the Honorable A. Gilmore Flues, former Assistant Secretary of the Treasury, told of his many relationships with Charles Siragusa in the field of international narcotic law enforcement. He related how he traveled throughout the world and in talking with foreign officials of many governments at high level, their first remark was, "How is Charlie?"

New York State Supreme Court Justice Victor L. Anfuso paid his respects to Mr. Siragusa and was particularly proud that a man of Italian extraction had been able to perform such diligent and extremely valuable service to his country and that Mr. Siragusa was preeminently qualified to take on the directorship of the Illinois Crime Investigating Commission which will be a pioneer in the field of law enforcement and the first State commission of this kind to be established in the United States.

Mr. John J. Bellizzi, chief of the New York State Division of Narcotics and one of the Directors of the International Narcotic Enforcement Officers' Association, presented a desk set with appropriate insignia to Mr. Siragusa in his new position.

Charles Siragusa, in responding to the numerous accolades bestowed on him, replied with earnest appreciation for the many remarks and honors.

The Treasury Department presented Mr. Siragusa with a Gallatin Award and also the following citation:

"In recognition of an outstanding record of achievement.

"In your dedicated efforts in the struggle against the illicit narcotic drug traffic and organized crime, you have demonstrated outstanding ability, inspiring leadership, and extraordinary personal courage.

"Your noteworthy achievements have made a lasting contribution to the Treasury Department and to the Nation.

"DOUGLAS DILLON."

The Honorable Robert F. Kennedy, the Attorney General, sent the following letter which was read by the Honorable Herbert J. Miller, Assistant Attorney General:

"The Chicago Crime Commission is to be congratulated on its acumen in selecting as its deputy director a man such as yourself.

"Your many years of service with the Bureau of Narcotics are characterized by devotion to duty, initiative, imagination and leadership. I have no doubt that the successful and impressive record of accomplishment which the Bureau has amassed in the past several years is due in large measure to your efforts on its behalf. You have reason to take great pride in your service to the Bureau and to the Nation.

"On behalf of myself and those others in the Department of Justice who have been privileged to know you and to work with you I extend to you best wishes for the future.

Sincerely,

"BOB,
"Attorney General."

The most important event of the evening was the following letter to Mr. Siragusa which was sent by the President, Lyndon B. Johnson, and read by Senator THOMAS J. DODD:

"Our country is indeed fortunate to have had you one of the leaders in the struggle against the illicit narcotic traffic and organized crime.

"During your long, professional career, your worldwide successes have established you as an outstanding law enforcement official fully qualified to accept the most challenging assignments.

"While I regret your leaving the Federal service, I wish you every success and congratulate the State of Illinois on their good judgment in drawing upon your selfless dedication and inspiring leadership.

"Sincerely,

"LYNDON B. JOHNSON."

Sincerely and respectfully,

HARRY J. ANSLINGER,
Federal Commissioner of Narcotics (Retired).

ECONOMIC IMPACT OF THE NEGRO REVOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have reprinted in the RECORD an article in the December 1963 issue of the New York University Alumni News entitled "Negro Revolution: Its Economic Impact" by Jules Backman, research professor of economics New York University. Professor Backman gives the background in this article for seven results which he believes the current civil rights revolution could bring about. When economic discrimination against Negro citizens ends, he believes we will see: first, a 50 percent increase in the average income of Negroes; second, greater productivity of a better-trained labor force; third, a reduction in school drop-outs; fourth, the creation of a million or more jobs; fifth, a vast reduction in unemployment; sixth, a reduction in community costs for welfare programs—offset in part by the higher cost of educational programs—and seventh, a higher rate of economic growth. Professor Backman's judgment reenforces earlier opinion rendered by other authorities such as the eminent Swedish economist, Gunnar Myrdal, who was recently the guest of Senator Clark's Subcommittee on Manpower here at the Senate; of our own Secretaries of Commerce and the Treasury who have pointed to the economic drag which racial discrimination imposes on our economy; and a recent study entitled, "The Businessman and the Negro," appearing in the September 1963 issue of Fortune magazine written by Charles E. Silberman. When the Senate considers the equal employment opportunity provisions of the civil rights bill in the coming months, I hope the Members will keep this authoritative testimony in mind.

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

NEGRO REVOLUTION: ITS ECONOMIC IMPACT

(By Jules Backman)

Less unemployment and greater economic growth—these are two significant economic benefits which will accompany the attainment of equality by the Negro. The Negro is entitled to equality for ethical, religious, moral, and social reasons. There are also compelling economic grounds. Too little attention has been directed to the benefits that could accrue to our economy if the condition of the Negro were improved. Although the economic ramifications are less important than the other considerations, they do represent an important plus for permitting the Negro to achieve his aspirations. When he does, our economy will gain from:

A 50 percent increase in the average income of Negroes.

The greater productivity of a better-trained labor force.

A reduction in school dropouts.

The creation of a million or more jobs.

A vast reduction in unemployment.

A reduction in community costs for welfare programs (offset in part by the higher cost of educational programs).

A higher rate of economic growth.

Negroes accounted for 18.9 million or about one-tenth of our total population in 1960. This significant segment of our citizenry has participated less than proportionately in income, jobs and educational opportunities. The average income level of Negroes is about three-quarters as high as that of whites except in the South, where it is only three-eighths as great.

Their poorer income status reflects mainly two factors: (1) discrimination in hiring policies, and (2) lesser educational opportunities. Negroes usually have had several years less schooling than whites and the quality of their education, particularly in the South, has been inferior; only about one Negro in five holds a high school diploma, a ratio about half as large as that for whites.

INSUPERABLE BARRIER

This lack of education creates an almost insuperable barrier for many jobs for which the high school diploma has become a minimum requirement. It stands in the way of getting better-paying jobs. The resulting low income of poorly educated Negro parents makes it difficult for them to support their children until they finish high school. A vicious circle has been created, with the financial difficulties of the parents limiting the educational opportunities of the children. Moreover, discrimination against them in better-paying jobs has impaired the incentive of many to seek greater education.

Several national programs deal with this problem in a small way. For example, the 1962 Manpower Development and Training Act provides for the retraining of unemployed and underemployed individuals in occupations that seem likely to provide opportunities for future employment. However, by the end of July 1963, only about 50,00 persons had been covered by this program.

The Area Redevelopment Act of 1961 provides for retraining of workers in economically distressed areas. As of July 1963, the total number of workers affected was merely 25,000. Since these two programs cover all workers, the number of Negroes involved obviously is very small.

The Secretary of Labor has ordered that apprenticeship programs financed by the Federal Government would not be certified if they involve discrimination. This can open up job opportunities for some younger Negroes.

There are also Federal and State fair employment laws. One illustration is the President's Committee on Equal Employment Opportunity. Its activities are related to firms which hold government contracts of at least $10,000. It can require these companies to hire and to promote without discrimination as to race. In addition, it may deny government contracts to firms that do not agree to abide by the rules. While some jobs have been opened up by this program, the total appears to be quite small.

The Federal Government has attempted to prevent racial job discrimination on Federal construction projects and in connection with defense contracts. Although such contracts must contain antidiscrimination clauses, the emphasis has been on voluntary compliance.

Local community pressures also have developed to expand job opportunities for Negroes in various crafts, particularly in the building trades. A little progress is being made in this area in a few cities. To some extent the hiring of Negroes in the building trades may be at the expense of job opportunities for whites. However, the expansion of apprenticeship programs to include Negroes does not cause any employed white person to lose his job. It does mean that whites

who might have been apprenticed must seek jobs elsewhere.

The programs adopted to date have made only a minor contribution to the solution of the problem. Although any steps represent some progress, these are small, hesitant measures rather than major solutions.

In addition, some token measures have been taken in the South. But this cancer will not be cured by the admission of one, two, or a handful of Negroes into the public schools and colleges. The integration in education that has developed in many southern communities is a farce. The universities and colleges in the South should be the citadels of freedom; instead they are the bastions to be stormed. They should be providing the leadership for the effectuation of the Supreme Court's decisions; instead they are passive, if not resistant, to change. Their leaders should be bold; instead they are pusillanimous.

The elimination of the barriers to job opportunities for Negroes and other groups against whom discrimination is effectively practiced is a vital first step which can bring some immediate improvement. Improved educational opportunities is the road to longer term gains.

IMPACT ON GROWTH

There is considerable concern over the lag in economic growth in the United States. Improvement in the status of the Negro should help in part to overcome this lag. Economic growth is influenced by the training, skill, and education of the population and by its most efficient use in production.

The more educated the labor force, the more productive it will be. Improvement in technology, so vital to economic growth, depends on education. Efforts have been made to measure the role of education in economic growth. Although no precise answer can be given, it has been estimated that close to one-fourth of the rise in gross national product and more than two-fifths of the gain in output per worker over the past three decades has resulted from greater education.

For these reasons economists include education as a vital contributing force to productivity. Productivity in turn is a key element in national economic growth. Improved educational opportunities will make possible greater skill and efficiency for the Negro and in turn will favorably affect national productivity.

The Bureau of the Census estimates that personal income of the Negro community totaled $21 billion in 1962, or about 4.8 percent of the national total. This proportion of personal income is considerably smaller than the 10.5 percent of the population accounted for by Negroes.

The Council of Economic Advisers has estimated that if discrimination were removed in education and employment, $13 to $17 billion could be added to gross national product. This would be an increase of 2.9 to 3.2 percent in the current total value of goods and services produced in this country. In part, this gain would reflect the more effective utilization of existing skills, including a reduction in unemployment for nonwhites.

VAST INCREASE

Dr. Andrew Brimmer, Deputy Assistant Secretary for Economic Affairs of the U.S. Department of Commerce, has estimated that an increase of this magnitude in gross national product would increase the personal income of Negroes $9 to $13 billion. In other words, the elimination of discrimination in education and in jobs would add some 50 percent to the total income received by Negroes.

Increases of this magnitude in gross national product and in consumer incomes could create a million or more jobs for Negroes and whites or could convert a substantial amount of part-time employment into full-time jobs. Such an increase would be large enough to solve most of our unemployment problem.

It must be emphasized that these estimates are extremely crude. There is no way to determine with any precision the full benefits to be derived if the opportunities available to the Negro were improved and his energies released under the stimulus of a more favorable environment. But that the economy would be benefited is unchallengeable.

Deficiencies in education cannot be made up overnight. A high school education is not realized by the stroke of a pen or by an expression of good intentions. The training of college men and women requires even longer periods of time. Moreover, these developments cannot be dissociated from the economic circumstances of the family, since this is often the source of pressure to discontinue education.

Greatest immediate progress can be made by eliminating discrimination in jobs. However, even that measure cannot solve the problem completely because of the relatively small number of highly educated and highly skilled Negroes available.

It will take many years to correct the inadequacies and injustices of the past. Thus, the opening up of opportunities for improved education and jobs will not be reflected in an immediate burgeoning of economic growth. Over the years, however, it can make an important contribution.

Secretary of Labor Willard Wirtz has emphasized how the plight of the Negro hurts local business in the affected areas. Wirtz has said that "business in trade and services is reported to have improved among numerous firms and in cities where desegregation has occurred."

In recent years, the South has been experiencing an industrial boom. To continue this boom will require a large pool of skilled workers, which probably can be provided to a significant extent by Negroes, who are a large part of the labor supply. A failure to provide the education and training required by this group could in time abort the expansion, thus inflicting an economic penalty on the South and on the entire Nation.

Unemployment has been a persistent problem in recent years. Of 4 million unemployed in 1962, about 800,000 were nonwhites, mainly Negroes. Their unemployment rate was 11 percent as compared with 4.9 percent for whites.

But these figures do not show fully the unfavorable position of nonwhites. About one-quarter of the jobs for nonwhites were part time as compared with one-seventh for whites. Chronic unemployment—defined as 15 weeks or more—has accounted for a larger proportion of the total for nonwhites. In addition, the Negro usually is among the first to be laid off in periods of declining business activity and the last to be hired during periods of recovery, usualy because he has low seniority or is performing unskilled work. In the latter connection, the Negro is particularly vulnerable to automation that tends to wipe out unskilled or semiskilled jobs. Studies of plants show that the lack of education of the men replaced by machines has played a key role in limiting the ability to retain them for other jobs.

DROPOUTS REDUCED

Many of the unemployed are those who fail to complete high school. Negroes account for a large proportion of this group. They have little incentive to continue their education when they see their well-educated brothers and sisters compelled to accept jobs far below their skills. Improvements in job opportunities would be accompanied by a greater willingness to stay in school. Dropouts would be reduced.

It must be remembered that even under favorable economic circumstances we would have almost 3 million unemployed, the 4-percent rate to which President Kennedy frequently made reference. These people are unemployed for such reasons as illness, seasonal work (e.g., apparel, construction) and mobility of labor. Others are simply unemployable. Thus a reduction of somewhat more than a million in unemployment is required to reduce that total to tolerable levels.

If nonwhites had the same unemployment rate as whites—namely 4 percent—the number of unemployed would have been 400,000 less in 1962. Such a reduction would eliminate a substantial proportion—some 40 percent—of the excess unemployment and would make a major contribution to solving the unemployment problem.

Lack of education and training makes it virtually impossible for the Negro to get off the merry-go-round on which he finds himself. The key, therefore, is improved education and training for better jobs. Better jobs would not be assured, however, so long as widespread discrimination is practiced. In this respect, a modernization of the rules of some labor unions also would be helpful. But without improved education opportunities, the elimination of discrimination alone would only solve the problem in part.

Would the creation of these jobs displace an equal number held by white? In some instances, such a displacement undoubtedly would occur. However, many available jobs are not filled because of a shortage of trained personnel. Improved training or upgrading of already trained Negroes by the elimination of discrimination could meet this need in part. The increase in income generated by this employment then would generate expanded demand. In turn this would increase the total number of employment opportunities for both whites and Negroes. To the extent that trained Negroes are upgraded, their present jobs will be available to other Negroes or whites. Moreover, some jobs will be created, largely for whites, to handle the expansion in the schools and in training programs.

EDUCATION TAKES TIME

Our economy does not have a fixed number of jobs. Over the years, the total has increased markedly. Despite the lag in economic growth and the alleged adverse effects of automation there was a net increase of 3.5 million jobs between 1957 and 1963. This trend should continue in the years ahead. If Negroes obtain a larger proportion of the new jobs than in the past, the disparity in employment rates would be reduced or eliminated.

Finally, it takes time to educate and to train or to reeducate and to retrain. As a result, it would take many years to effect the changes required. Thus, the impingement upon the job opportunities of others by granting greater equality of opportunity to Negroes should be relatively unimportant in any period.

A decrease in the number of Negroes unemployed also would yield important benefits in terms of improved health and lower cost of welfare programs. The reduction in these costs would be offset in part by the increased cost of education. At the same time, the tax base would be broadened and higher revenues would be obtained by all levels of government. But even more important would be the yield in terms of better citizens with better health and increased human dignity.

ADVERSE EFFECTS

With economic change, improvement in the status of one group may hurt some persons who are not in the group—in fact, it usually does. Thus, as Negroes move up the economic ladder, the supply of unskilled labor will be reduced and some businesses will be unable to hire workers at the low wages they have been paying. They may suffer a cut in profits, as a result, and in some cases may even be forced out of busi-

ness. Some whites will experience increased competition for jobs, as was noted earlier. While such adverse effects must be recognized, they cannot be made the excuse for a continuation of the intolerable situation that prevails.

An analogy may be drawn with child labor. On moral, economic, and social grounds, child labor was undesirable. Its elimination undoubtedly hurt many of the firms that took advantage of the situation and even inconvenienced some families that had depended upon the meager income brought home by their children. Nevertheless, there is now general agreement that the case for eliminating child labor was overwhelming and that the benefits derived by society from better-educated citizens with better health have far outweighed the losses to some marginal concerns that were able to thrive on the backs of children.

The same will be true for greater education and job opportunities for the Negro.

Rank injustice for any minority group is not in the democratic tradition. When that group includes more than one-tenth of the population, significant adverse economic effects are unavoidable. We have made haste much too slowly in this area.

We are wasting an extremely valuable human resource when we fail to open up all jobs to properly trained persons and when we fail to provide good educational opportunities for the Negro. One result is a drag on the rate of economic progress. Another is excessive unemployment.

Unfortunately, the mistakes of the past will take time to correct. They cannot be overcome by token measures. We require a prompt, massive attack on the problem, especially by opening the doors wide to educational opportunities and by eliminating the barriers to job opportunities. The elimination of job discrimination will provide some immediate relief and will provide the incentive for Negroes to undertake more extensive education. Improved educational opportunity is the important longrun solution because without it the Negro will not be qualified for the better jobs.

The case for equality of education and of job opportunities for the Negro is powerful on ethical, religious, social, moral, and economic grounds.

WE THE PEOPLE

Mr. HUMPHREY. Mr. President, just recently there has appeared a new book giving the story of the U.S. Capitol. It is entitled "We the People," and is a publication of the U.S. Capitol Historical Society.

In 143 pages, complete with index, it is a superb guide to the Capitol, matching the fine job done for the White House under the stimulus of Mrs. John F. Kennedy, the wife of our late President.

Such a book on the Capitol has long been needed. Hundreds of thousands of people from all 50 States of the Union and from all over the world visit Washington every year. From schoolchildren to adults, they are well guided and given sound historical talks at the same time. Yet it would take many visits to remember and absorb all one wishes to. It would take a number of trips to fix in one's mind all of the color and a feeling for all of the rich historical art that is here. A book like "We the People" helps immensely in the recall of the visit. It permits a kind of continuous revisitation.

Persons who have come here many times have already expressed unbounded appreciation for the job which has been done with this book. The writing is excellent, the color plates of the very best, and the paper of a quality befitting the durability of the Capitol. As a matter of fact, I dare say that even some of us who have been around here some time will learn things from this book that we did not know.

Washington, D.C., in general, and the Capitol Building in particular, constitutes the largest single classroom in American history to be found anywhere, and handles the largest amount of students. This book will be an invaluable assistance to those who would learn in that classroom.

Congressman FRED SCHWENGEL is to be congratulated for his work as president of the U.S. Capitol Historical Society in bringing out this book. It was through the persistent and diligent work of Congressman SCHWENGEL that this splendid publication advanced from a dream to a reality. I have considered it a privilege and a honor to have shared in this endeavor. The National Geographic Society was indispensable, and deserves full appreciation.

I wish to commend this book to the attention of my colleagues and to suggest further that in newsletters and offices, they can promote the sale of this book with both pride and pleasure.

AID TO DEPENDENT CHILDREN IN MINNESOTA

Mr. HUMPHREY. Mr. President, I remember that when the budget for the District of Columbia was being discussed in the Senate there were many conflicting statements about the efficacy of welfare aid to dependent children. Most of the argument came over the addition of one extra category of children to the three groups now getting welfare funds. Children in the District and in many of the States now get relief funds if their parents are either dead, not present in the home, or physically incapacitated. The program which was requested for the District was ADCUP. Under that program children whose parents were employable, seeking work, but unable to find work enough to support their families, would come under the ADC program.

During the discussion the assertion was often made that ADC itself was not a good program and led to cheating, chicanery, and unending expense. Undoubtedly there is an element of truth in these claims. But is not due to the requirements of the program. Many States have successfully operated an ADC program and have found little difficulty in keeping their records, the feelings of the recipients, and their budgets, in balance.

In my fine State of Minnesota, the experience has been a fruitful and satisfactory one. A recent series of articles carried in the Minneapolis Morning Tribune have dealt with the ADC program in Minnesota. These articles exemplify the excellent results that can be obtained from ADC if it is properly administered and generous enough to reduce the incentive to cheat.

Mr. President, I ask unanimous consent that the article, "Caseworkers Find Little Cheating by Minnesota Welfare Recipients" be printed in the RECORD at this point.

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

[From the Minneapolis (Minn.) Morning Tribune, Dec. 11, 1963]

CASEWORKERS FIND LITTLE CHEATING BY MINNESOTA WELFARE RECIPIENTS

(By Sam Newlund)

Welfare is like income tax. They're both so complex that the line between honesty and cheating is sometimes blurred—or invisible.

Pinpointing the number of cheating welfare recipients is like specifying how many taxpayers are certain beyond doubt that they've paid the precise amount owed.

But for what it's worth, conversations with dozens of Minnesota caseworkers brought a universal response: Only a small percentage of their clients deliberately cheat.

Last summer, the Department of Health, Education, and Welfare (HEW) conducted for Congress a nationwide review of aid to dependent children (ADC) caseloads. This involved record checking and personal contacts with samples of cases.

Minnesota fared well in the statistics. The reviewers found 3.5 percent of the State's sample families had one or more persons who were not eligible for assistance but getting it anyway.

There were 14 States with a better record than this.

In 2 out of 100 Minnesota cases, the entire family was ineligible.

Of the 445 cases in the State sample, there was only 1 family which the reviewer was willing to say was deliberately perpetrating a fraud, according to the State welfare department. Of course, this didn't rule out the possibility of deliberate fraud in other cases.

Also, 18 percent of the State families were getting more than they should have (although they were eligible for a lesser amount), and 13 percent were getting less than they were entitled to.

Later, a team of ex-FBI agents investigated ADC and relief clients in St. Louis County and reported: "No fraud."

These findings, of course, don't square with the belief that welfare is a huge boondoggle in which hordes of unscrupulous drifters are bilking the taxpayers.

This is not to say that welfare recipients don't cheat. Some do.

Some ADC mothers spend much of their aid money on liquor, then lie to their caseworkers about it. Some get financial help from their paramours, then deny it.

Some recipients get jobs on the side and continue to draw full benefits. Some rural people get rides to town to plead for an emergency order, then split the "loot" with a friend who provided the transportation.

But persons who deal directly with these people point out:

The only available evidence indicates that flagrant, deliberate cheating is done by a minority of their clients.

Welfare recipients cannot be expected to be any more moral than the population as a whole. If they are less moral, proportionately, it is probably because they are stuck with proportionately greater social, economic, educational, and intellectual poverty—not because they are on welfare.

The line between cheating and honesty may be fuzzy.

This fuzziness can be illustrated in the case of a middle-aged ADC mother. She has one daughter, and is on ADC because the divorced father is a drunkard of low

ability who can't support himself, let alone his offspring.

"Why did you throw him out?" a caseworker asked the mother.

"Drinking, cruelty," she said. "He beat me up. He's so belligerent. He isn't educated to the degree that he could carry on an intelligent conversation. But he thinks he knows it all. I swear—he would argue with his daughter and you'd think he was the same age as she was."

The mother brought up babysitting. She wanted to know if she could earn a little this way without losing some of her ADC money. (Regulations say no. Even small bits of income are to be reported to the caseworker so that adjustments in the grant can be made.)

"I'll be frank with you," replied the caseworker. "I'm not going to say much, although according to the book I should take note of any resources."

"How do all these others get by with it?" the woman demanded. She mentioned other ADC mothers who make sizable amounts without penalty.

"I know it goes on," the caseworker said. "But sooner or later somebody blows the whistle. I've got 85 mothers on my caseload, and I'll bet 70 of them do a little babysitting once in a while."

Anyway, he wasn't going to quibble about a few dollars now and then as long as it wasn't steady income.

Such realities are recognized by Morris Hursh, State welfare commissioner.

"If a guy mows a lawn and makes a couple of dollars or sweeps out the church and makes $2, nobody is going to take it away from him," Hursh says.

But if one of the reviewers in last summer's ADC study had come across such situations, he presumbly would have reported an overpayment.

In fact, the overpayments found in the 18 percent of the State included some amounts no greater than $1 a month. The biggest was $139.

Overpayments and payments to ineligible persons may be due to fraud. They may also be due to errors in arithmetic (in 1 county 3 of the 14 overpayments were for this reason). They may be due to misunderstanding on the client's part, or to a caseworker's failure to keep current with changing situations.

Suppose an ADC child turns 18, but the caseworker doesn't visit the home until 6 months later and the mother fails to report the child's birthday. For 6 months the family would get, for example, $25 a month more than it had coming, since ADC is supposed to stop at 18.

Suppose a woman turns 35. Unless the caseworker catches it, there will be an overpayment because the food allowance drops slightly at age 35.

Sometimes the same mistakes that cause a family to get too much can cause it to get too little. Children, for example, are due for bigger food allowances as they grow older.

What is done, then, to minimize fraud and honest mistakes?

Control measures are limited by shortages of caseworkers. Some clients might not see a caseworker more than once a year or so. The money just keeps coming.

But now, for ADC only, Federal requirements call for an eligibility review at least once every 6 months.

And in January the State welfare department will launch an intensified and continuing statewide eligibility check.

The Minneapolis Relief Division, which handles only general relief, maintains a special investigation section. In the year ending last June, the section took action in 64 "fraud" cases involving some $19,000. (Its case load is more than 2,000.)

All told, the division collected less than $1 of each $5 it had coming, according to Robert A. Hughes, head of the investigation section.

"Those people are so down and out that they couldn't make restitution if they wanted to," Hughes said.

Advocates of welfare crackdowns sometimes suggest "stakeouts" to spy on suspected cheaters and abusers of welfare. But social workers generally object on grounds of invasion of privacy.

Edward Fields, member of the Anoka County Welfare Board, says stakeouts would be "a good idea" whenever the board gets reports that a mother is entertaining a man overnight or is spending her money in taverns.

PRESIDENT JOHNSON INSPIRES CONFIDENCE BY FIRM HANDLING OF DUTIES

Mr. YARBOROUGH. Mr. President, the Houston Post in an editorial Monday, December 16, entitled "Johnson Inspires Confidence by Firm Handling of Duties," praised President Johnson for having reassured the country by the firmness and self-confidence which he has demonstrated in stepping up to the Presidency. I have been impressed equally with the Houston Post. President Johnson has moved with firmness, sureness, and with great ability.

Because this editorial expresses so well what appears to be the opinion of the Nation as a whole, still stunned and saddened by the loss of the late beloved President Kennedy, I ask unanimous consent that it be printed in the RECORD.

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

[From the Houston (Tex.) Post, Dec. 16, 1963]

JOHNSON INSPIRES CONFIDENCE BY FIRM HANDLING OF DUTIES

Despite all the jokes made about his frequent use and pronunciation of the word, one of the attributes of the late President Kennedy which most Americans admired was the spirit of youthful vigor that he and his family brought into the White House and infused to a considerable extent into the entire executive branch of the Federal Government.

It has been said that the country was in need of the sense of buoyancy and optimistic hopefulness as to the future that he imparted by reason of his personality and his handling of the presidential office.

During the days that have followed his death and the accession of President Lyndon B. Johnson to the office, the country has been greatly impressed and reassured by the firmness and self-confidence with which the new President has taken over the vast responsibilities and heavy workload of the Presidency. They have been no less impressed by the vigor with which he moved in taking command. He has inspired nationwide confidence by demonstrating his competence to deal with the many difficult problems which he inherited.

In fact, some people, recalling the heart attack that he had several years ago and from which he has recovered, has begun to suggest somewhat cautiously that he may be driving himself too hard. This feeling is at least partly responsible for the growing interest that is being manifested in the matter of the presidential succession, what might happen if the new President should die or become disabled.

The country now, of course, has no Vice President, and the next man in line to become President is the Speaker of the House of Representatives, who is 71.

The pace at which the new President has been moving since taking over the office certainly came as no surprise to anyone who has known him personally. He has never been known as a contemplative man. On the contrary, his problem in recent years has been one of restraining himself as to his physical activities.

The relative quiet of the Vice Presidential office at least gave him an interlude in which his official responsibilities permitted some relaxation. But this interlude was ended abruptly by the assassin's bullet in Dallas.

It is possible that when President Johnson has become settled in the job and in the White House, he will find it unnecessary to maintain the somewhat hectic pace that he has kept during recent weeks. He may chafe under enforced inactivity, but as President he has a responsibility to the Nation as well as to himself to protect his physical health.

At the insistence of the White House doctors, he has made one concession. He has been spending 20 to 30 minutes a day in the White House pool, but even there, host columnist Joseph Alsop has reported, he continues to be concerned with the official duties of his office. Staff members are summoned to the pool for informal discussions.

But Alsop also reported that the President has been allowing himself at least a few quiet hours. Always an early riser, he has been starting his day at 6:20 a.m., but he devotes his first 2 hours to reading, first the day's newspapers and then the docket for the day, including the memorandums he has written to himself about things he must do. He gets another hour or so of quiet before bedtime.

Thus Alsop observed, the President's schedule allows him considerably more time for study and reflection than might be guessed from his public activities. This is all to the good, and it is to be hoped that he continues the practice. By doing so, he will help to make all of the concern about the line of presidential succession largely academic.

TURNING POINT IN FISCAL POLICY

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have an excerpt from the National City Bank Letter of December 1963 printed in the RECORD.

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

TURNING POINT IN FISCAL POLICY

President Johnson has inherited a fiscal situation clouded by continuing uncertainties over the proposed tax cut and an unprecedented slowdown in the passage of spending legislation by Congress. While getting ready to put the finishing touches on the fiscal 1965 budget for presentation to Congress next January, the administration, under the late President Kennedy, had been in the unusual position of running Government operations almost halfway through the 1964 fiscal year with 8 out of 12 appropriation bills still pending in Congress. The impasse in fiscal decisions had already been causing considerable headshaking among businessmen and economists seeking to forecast the shape of the business curve for the year ahead.

The key questions still remain: Will there be a tax cut and if so, when and how big? How much money will the Government spend in the years ahead and how much tax revenue will it give up? How large will be the deficit resulting from the tax cut and spending decisions for fiscal 1964 and 1965?

Answers to these questions have been delayed as both tax cut and spending decisions have become enmeshed in the legislative bargaining process. It is no secret that the

delays are at least partly traceable to the strong sentiment in Congress for lower spending and smaller deficits than the administration had envisioned. While congressional actions have also been slowed by consideration of other issues—including civil rights, the test ban treaty and the rail strike threat—deliberations have been prolonged, as in the foreign aid debate, by a heightened desire to limit Federal spending and eliminate waste. All this is leading to one of the longest congressional sessions in history.

SOLID IMPROVEMENT IN BUDGETARY OUTLOOK

But despite the appearance of confusion and the impossibility of making precise estimates pending congressional decisions, the fact is that the actual fiscal situation has improved a good deal since last January when the late President Kennedy's tax and budget proposals were first unveiled. Requests for authorizations and new appropriations are being examined with a critical eye by committees of both Houses and several bills have undergone further trimming on the floor. Spending is not only being cut for the current fiscal year but authorizations for future expenditures are being held considerably below original requests. As a result of these decisions, as well as economies effected by the administration, Budget Bureau Director Kermit Gordon a month ago estimated that expenditures this fiscal year would be held to $97.8 billion—$1 billion below the $98.8 billion estimated in January.

Meanwhile, both individual incomes and corporate profits have risen more than expected, yielding $1 billion in additional taxes. The 6-month postponement to January 1, 1964 in the anticipated effective date of the tax cut will mean about $900 million more in revenues. Thus, Treasury Secretary Douglas Dillon now figures revenues for the year ending next June 30 at $88.8 billion—$1.9 billion more than projected last January.

Original estimates and actual results for fiscal years 1955–64, administrative budget basis

[In billions of dollars]

Fiscal year	Expenditures		Receipts		Surplus (+) or deficit (−)	
	Original estimate	Actual result	Original estimate	Actual result	Original estimate	Actual result
1955	65.6	64.4	62.7	60.2	−2.9	−4.2
1956	62.4	66.2	60.0	67.9	−2.4	+1.6
1957	65.9	69.0	66.3	70.6	+ .4	+1.6
1958	71.8	71.4	73.6	68.6	+1.8	−2.8
1959	73.9	80.3	74.4	67.9	+ .5	−12.4
1960	77.0	76.5	77.1	77.8	+ .1	+1.2
1961	79.8	81.5	84.0	77.7	+4.2	−3.9
1962	80.9	87.8	82.3	81.4	+1.5	−6.4
1963	92.5	92.6	93.0	86.4	+ .5	−6.2
1964	98.8	[1] 97.8	86.9	[1] 88.8	−11.9	[1] −9.0

[1] Latest estimate of the Bureau of the Budget, assuming that the House-approved tax-cut bill becomes effective Jan. 1, 1964.

The improvement in revenues, combined with the lowered spending estimates, has reduced the projected deficit for the current fiscal year by $2.9 billion. Assuming that the House bill calling for a two-stage $11 billion tax cut becomes effective January 1, 1964, Secretary Dillon now places the deficit at $9 billion, compared with the $11.9 billion figure of last January.

Thus, the prolonged deliberations and heated debates over fiscal legislation have not been in vain. The more that spending bills have been slashed, the more likely it has become that we can reduce tax rates without running undue risks of inflation. In terms of fiscal fundamentals, the developing decisions are giving substance to a new policy based on closely controlling Government spending while providing tax relief to improve incentives and spur the private economy.

ECONOMY PLEDGE BEING FULFILLED

It may be recalled that the administration's fiscal proposals last January, which coupled a big tax cut with a $4.5 billion rise in expenditures and an $8.6 billion boost in new obligational authority, where sharply challenged from both sides of the aisle. Chairman CLARENCE CANNON of the House Appropriations Committee—which originates all money bills in Congress—vowed to do his best to trim the budget: "We will look for and find places to cut it substantially without impairing national security."

With sentiment for economy gaining strength in both Houses as the session has progressed, Representative CANNON has been true to his word. The complexities of the Government spending mechanism make precise estimates difficult, but Representative CANNON recently expressed the opinion that Congress would chop "something like $5.4 billion" from the administration requests for appropriations, holding them about $2.9 billion below what was granted last year.

Cutting appropriations, however, is not the same thing as cutting current expenditures. It takes a long time after the spigot is turned off before the money stops flowing. Some $42.4 billion of this year's budget expenditures were authorized by Congress in years past. Another $11.8 billion recur automatically under permanent law, the most important item in this category being interest on the public debt. (With money rates rising this year, Budget Director Gordon has estimated that interest costs have risen by $500 million since the January projection of $10.1 billion.) Thus, only some $44.7 billion out of the $98.8 billion in expenditures originally requested were subject to action by Congress in this session.

Spending is also being held down by the unprecedented delay in voting new appropriations. In the interim since July 1, many agencies—including the Defense Department until mid-October—have operated under "continuing resolutions." This means that agencies must restrict their spending roughly to the same rate as in fiscal 1963 or to that provided in pending appropriation bills, whichever is lower.

With almost half the year gone, many agencies that were slated to raise their spending this year have been forced to hold their expenditures below original budget estimates. While this creates practical difficulties for Government agencies, it shows the intimate relationship between taxes and spending that exists in the minds of Congressmen.

REDUCTIONS IN SPENDING AUTHORIZATIONS

Seasoned observers, however, are not so much impressed with the reduction in fiscal 1964 expenditures as with the sharp paring of requests for new obligational authority. Though the phrase sounds like a prime example of bureaucratic gobbledygook, new obligational authority—which may be viewed as charge accounts for Government agencies—constitutes the key to all future spending. As shown in the accompanying explanation below, which explains budget terminology, the Government cannot enter into contracts or spend money unless authorized by Congress.

Appropriations being the most important kind of obligational authority, the $5 to $6 billion that Congress is cutting from the administration's appropriations requests is highly significant in showing the spending trend. Originally, the Kennedy administration had requested $107.9 billion in new obligational authority, but later cut this by $620 million. With these changes, as well as the $500 million rise in interest costs, the congressional reductions would leave the new authorizations some $6.1 billion below the amount requested last January.

In the four appropriation bills which had won final approval by late November, initial requests amounting to $61.9 billion had been slashed by $2.2 billion. The largest of these requests—$49 billion for national defense—was trimmed back by $1.8 billion. The National Institutes of Health—which for years have been voted more money than they asked for—for once were given less than the $980 million originally requested.

An additional $3 billion has been cut from seven other appropriation bills by the House of Representatives. At the end of November, the only regular appropriation bill still to be acted on by the House was foreign aid. But even here, sharp cuts in the foreign aid authorization bill by both Houses had set an upper limit of about $3.6 billion—some $1.3 billion less than what the administration had originally requested Among other actions, both Houses chopped $600 million out of the $5.7 billion requested for the space program, reflecting less urgency felt for the moon race. Even the $4.6 billion public works bill—known as the "rivers and harbors" bill—was pared by $286 million in the House.

Progress to date, of course, could be substantially nullified if large supplementary appropriations are voted later on. Legislators must continue to exercise restraint in order that the balanced fiscal formula thus taking shape is not upset.

CONDITIONS RIPE FOR A TAX CUT

It now seems that the fiscal conditions for a sound tax reduction are on the way to being met. Not only are current expenditures being held down, but new authorizations for future spending are being tightly controlled. The rising trend in obligational authority has been moderated. For his part, President Johnson has ordered an economy drive in Government agencies and among defense contractors.

It should be recognized, however, that economy sentiment has prevailed in Congress largely because of the widespread desire to cut taxes in a responsible manner. Failure to act on taxes would not only mean that many legislators would no longer feel constrained in their spending decisions but it would give the spending forces the upper hand in the event of any pause or dip in business. In that event, the prospective deficits are certain to be much larger than any now envisioned with a tax cut.

Now that so much has been accomplished to minimize interim deficits and keep the lid on inflationary forces, it would be fitting for Congress to get on with the job of reducing taxes. Nothing else could so effectively remove the uncertainties hanging over the business situation than for Congress to cooperate with the new President in bringing long-awaited tax relief to the American people.

Congressional actions on spending authority, 1955–64

[In billions of dollars]

Fiscal year	New obligational authority			Total obligational authority year-end balances
	Administration requests [1]	Actual authorization	Change from previous year	
1955	$56.3	$57.1	−$5.7	$79.6
1956	58.6	63.2	+6.1	73.0
1957	66.3	70.2	+7.0	68.9
1958	73.3	76.3	+6.1	72.1
1959	72.5	81.4	+5.1	71.8
1960	76.8	79.6	−1.8	72.4
1961	79.4	86.7	+7.1	76.5
1962	80.9	92.9	+6.2	79.3
1963	99.3	101.5	+8.6	[2] 87.2
1964	107.9	[3] 101.8	+ .3	(4)

[1] Requested in January budgets.
[2] Current estimate.
[3] Estimated on the basis of congressional actions to date on 11 appropriation bills and on the foreign aid authorization bill, and allowing for $500,000,000 increase in estimated costs of the public debt.
[4] Not available.

THE BUDGET PROCESS

New obligational authority: Since no Federal funds can be spent without specific authority from the Congress, the budget presents the Presidents' recommendations as to the amounts of budget authorization (new obligational authority) necessary to carry out the planned programs. The Congress then considers and acts on these requests for new obligational authority.

New obligational authority is composed of three kinds of authorizations which allow Federal agencies to incur obligations requiring the payment of money.

Appropriations are the most common form of new obligational authority; they authorize the agencies not only to order goods and services but also to draw funds from the Treasury and make expenditures to pay for the goods and services when delivered.

Contract authorizations are occasionally given to agencies which allow them to contract for the delivery of goods and services but not to make expenditures to pay for them.

Authorizations to expend from debt receipts permit agencies to borrow money (usually through the Treasury), to contract for its use and to pay the amounts authorized.

Relationship between new obligational authority and expenditures: Not all of the obligational authority enacted for a fiscal year is spent in the same year. Appropriations to pay salaries or pensions are usually spent almost entirely in the year for which they are enacted. On the other hand, the bulk of appropriations to buy ballistic missiles or to construct an airfield are likely to be spent 2 or 3 or more years after enactment. * * * Therefore, when the Congress reduces or increases the amount of new obligational authority requested by the President for a given year, it does not necessarily change the budget expenditures in that year by the amount of the increase or decrease.—Excerpted from "The Budget in Brief, 1964 Fiscal Year," Bureau of the Budget.

UNEMPLOYMENT

Mr. JACKSON. Mr. President, an article by John Herling in the Washington Daily News of December 17, 1963, calls attention to an important statement on the unemployment problem in this country by Thomas J. Watson, Jr., chairman of the board, International Business Machines Corp.

I believe the article, together with the full text of the statement made on November 12, will interest my colleagues here in the Congress.

I ask unanimous consent that the article and the statement be printed in the RECORD.

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

[From the Washington (D.C.) Daily News, Dec. 17, 1963]

THE UNEMPLOYMENT ALARM

(By John Herling)

When Studebaker announced the shutdown of its auto plant a shudder ran through the labor force of the United States. In South Bend, Ind., 6,000 workers lost their jobs at a single blow, but the repercussions of this latest evidence of employment insecurity caused fear and trembling in hundreds of thousands of homes this Christmas season.

This latest traumatic experience adds pressure and testimony for action in the fight against unemployment. Urgency here affects us all. Unemployment—witness Studebaker—involves the skilled and the unskilled, the traditional occupations as well as the new ones in the age of automation and rapid technological advance.

Perhaps the most articulate and significant statement on the subject was made recently on Capitol Hill by Thomas J. Watson, Jr., president of International Business Machines—"Mr. Automation" himself. He states the problems involved in unemployment, and he does not step away from solutions, those he might offer and others which might be advanced. He does not shudder in revulsion even at the idea of a shorter workweek. He recognizes the essential social obligation of the Nation—and the leaders of the Nation—to meet the problem.

What is the alternative? The alternative, says Mr. Watson bluntly, is the possible destruction of our system. Which hardly is an alternative.

In short, Mr. Watson is sounding an alarm. He warns that in dealing with the complexities of unemployment, we may have to try treatments we have never tried before. This does not faze him one bit.

"Had we concluded after World War II that the way to help save Europe was to let events run their course, we might today be alone in a Communist world," Mr. Watson reminds us. "Instead we responded to a new situation with a new measure. Some said the Marshall plan would not work. But as a nation, we had the good sense to know it was more dangerous to tolerate the sickness than to try some new and unusual form of treatment. This is like Americans—when ordinary measures fall short, we invent new measures, new programs, and new approaches."

One cannot recall an industrialist making such a call to national action in peacetime as does Mr. Watson in these words:

"Let's stop deferring adjustments we shall have to make in the hope that the need for them will disappear. The longer we put them off, the more they accumulate and the tougher they are to deal with.

"Let's stop pretending that this business of adjustment can be left solely to the individual or the normal course of events. Hardship is inevitable in the process of change. We must learn to share it as we now share the benefits.

"Let's stop thinking that we may be able to solve these problems with one grand solution that will take care of them forever. They are going to be with us forever in one form or another as technological change takes place, and what we must do is step up to each of them. The time has come to find workable solutions. If we do this, it will solidify us as a people and help insure our leadership in the world. If we fail, we may alienate millions of citizens permanently and possibly destroy our system while trying to defend some of its ideological details.

"It has often been observed that America can not hope to survive as an island of plenty in a sea of international poverty. It must be even more true that a majority of Americans cannot survive in unworried affluence while a minority are doomed to lives of idleness and poverty."

STATEMENT OF THOMAS J. WATSON, JR., CHAIRMAN OF THE BOARD, INTERNATIONAL BUSINESS MACHINES CORP., BEFORE THE SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, NOVEMBER 12, 1963

Mr. Chairman, members of the subcommittee, I share your concern over the problems of unemployment and displacement. As you know my company makes machines which are laborsaving devices. Unquestionably they do displace people. Fortunately, however, white-collar employment has been increasing steadily and there has not been a great deal of hardship as a result of office automation. I am heartened by this, but I am disheartened by the Nation's apparent inability to cope with the overall problem of unemployment.

In our failure to solve this problem easily, I fear we may turn in frustration to attack technological change as if it were a disease or pestilence, when we should be accepting it as a boon. We cannot overlook the fact that technology has been a major force in man's progress. Constant technological change has been the key to lightening the burden of man's labor, increasing the prospect of leisure and raising individual living standards by improving and lowering the cost of goods. This process, therefore, is intertwined with the total process of civilization.

We simply cannot turn back the clock and try to slow the advance of technology. To do so would be to commit economic suicide. The problem of unemployment is solvable. To solve it, we must be willing to face up to the facts, and to act decisively.

Unfortunately, one sometimes gets the impression that more time is spent on the old arguments over the causes of unemployment than is spent in looking for appropriate solutions. I am also impatient over the tendency to debate the precise accuracy of our employment statistics. In one sense it is relatively unimportant whether we have 5-percent unemployed, or 4, or 6. The important fact is that whichever of these percentages you choose, it translates into millions of idle workers.

The question, in my mind, is no longer whether we as a nation should take more aggressive action. Rather, it is what should we do, and as a framework I would like to refer back to the report to the President from the Advisory Committee on Labor-Management Policy. Its title is "The Benefits and Problems Incident to Automation and Other Technological Advances." The Committee, of which I am an industry member, presented its report on January 11, 1962. The report offered three central propositions:

First, automation and technological progress are essential to the welfare, the strength and the defense of the Nation.

Second, we must achieve technological progress without allowing it to impair our system of human values or make second-class citizens of any of our people.

Third, to avoid burdening individuals with the human cost of technological change, we must combine private and Government action in programs that are consistent with the principles of a free society.

You have already heard enough testimony to know that nearly everyone agrees in principle with these propositions. But when we get to the point of how to apply them in programs, there is disagreement.

Some believe that the Nation's principal problem is aggregate demand. If we only stimulate the economy, the general problem will be solved.

Some believe that the difficulty is structural unemployment. They point to the fact that our labor force has gotten out of balance—that we have too few skills of the kind that new technology demands, that certain areas of the country have seen much of their labor force made obsolete and unneeded.

Still others hold a different view. They feel that shorter work hours are essential to full employment.

Unemployment is a sufficiently severe problem so that all of these views merit our consideration. My own primary concern lies with the structural problems of the hard core unemployed and the chronically depressed areas.

I also believe we should act now to try to stimulate our entire economy. I do not know what the ideal growth rate for America should be. Lincoln said that a man's legs should be long enough to reach the ground.

By the same token, our rate of economic growth must be high enough to create a reasonable number of jobs.

The Congress has before it a tax program designed to stimulate economic growth. I am not sure as to its immediate effect on the unemployment problem. But I do believe it is a necessary condition for the stimulation of long-term growth in our economy.

As to my primary concern—the hard core unemployed and the chronically depressed areas—I believe we've taken some important steps forward. But I am not certain we fully recognize how deep seated the problems are.

One example can be seen in agriculture. As technology moved in with better machinery, better seed, and improved methods, fewer farmers produced more food than we needed. Families were forced off their farms.

Many of these people acquired new skills, found new jobs and adjusted to urban life. But others have become the unskilled marginal industrial workers who have suffered unemployment at every downturn in the economy.

Another example is the coal mining industry. Change came to it in a different way. Other fuels began absorbing some of coal's traditional markets. To remain competitive, the coal industry introduced more productive equipment in the mines. Once again, human problems were created. We tried to tell ourselves that the necessary adjustments could be made by the people themselves. It hasn't worked out that way. As the New York Times recently observed in an editorial, displaced people "do not have the good grace to disappear when they are no longer needed."

As a consequence of these changes, we are struggling with a situation which defies simple solutions.

The two programs designed to help relieve structural unemployment, passed last year by Congress, were, I believe, a good beginning. Specifically, I refer to the manpower retraining program and the area redevelopment program. As you know, these are pioneering efforts that have not yet had an opportunity to prove themselves. They should be continued and strengthened.

I know that these bills have had the support of the majority of the members of this committee and I commend the individual members who have contributed to their development.

These measures should be helpful in starting to solve the twin problems of the hard core unemployed and those of the chronically depressed areas. Whether families or areas are involved, however, poverty can become self-perpetuating. It has already done so to such an extent that more corrective measures will unquestionably be needed, and we should not limit them to traditional approaches.

Some very unusual measures have already proved successful in other places. Puerto Rico is an example.

In the 1930's, Puerto Rico had a one-crop economy, sugar, a largely unskilled labor force and almost no industry. The island was impoverished and apathetic beyond anything we have ever known in the United States. Conventional methods were obviously not going to be enough. In the early 1940's, the Puerto Ricans initiated basic economic reforms. These were followed by a full program of incentives to private industry in the 1950's.

They offered tax incentives to industries that would move to Puerto Rico. They waived their profit tax for a period ranging from 10 up to 17 years. Businesses moving into the more depressed areas received the longer exemptions.

They offered buildings, ready for occupancy, that could be purchased or leased on favorable terms.

When training was involved they allowed businesses to offset these costs against the occupancy charges for the buildings, or gave cash reimbursements.

When special training had to be done in the United States, they paid salaries to the trainees and paid the transportation costs.

They paid industries' costs for transporting machinery and equipment to Puerto Rico.

We all know that Operation Bootstrap has paid off for Puerto Rico. When the Economic Development Commission started in 1950, the island had only 83 industrial establishments. They now have almost 900 plants and an industrial payroll of 100,000. They estimate another 100,000 jobs were indirectly created. Puerto Rico still has employment problems, but without Operation Bootstrap these problems would be much worse.

In France the Government has for many years made it consistently easier for industry to move into areas of unemployment and equally difficult—if not impossible—to build new plants in areas with full employment.

In Great Britain, my own company paid a rental of 20 cents per square foot for the first 7 years in a plant that the British Government built for us in Scotland. And last year, in what has been described as the greatest organized redeployment of manpower in British industrial history, nearly 3,000 coal miners and their families successfully moved from poor coalfields to better areas.

Some of these solutions may seem radical to us, but the problem we face in some of the depressed areas of our country is so severe, and has gone unsolved for so long, that new approaches are clearly needed. The problem is not going to disappear by itself.

There is another side to the unemployment problem. It is less obvious, less dramatic and, in a way, more complex. This is the almost continuous displacement that takes place as market demands change, styles change, and technical improvements are made. It affects total industries and whole occupational groups.

Something as innocent as a style change can leave thousands of people jobless. In my home State of Connecticut, we had a severe problem in Danbury for several years. Men, for reasons nobody can explain, began going hatless and this was one of the major reasons the hatters of Danbury lost their jobs.

We're acutely aware of technology's impact when fewer men produce more of the same product. The auto industry seems to be an example of that.

But, just as often, a combination of changes affects employment in an industry. In railroads, for instance, the effect of the change from steam to diesel locomotives was compounded by the switch of passengers from railroads to other means of transportation and the diversion of freight from trains to trucks and pipelines.

Still another example of this process is the wholesale movement of an industry from one region to another. New England has seen this. From the early 1800's, it was the center of textile manufacturing. Yet, in only 20 years, a substantial part of that huge industry uprooted itself and moved to the South.

The impact of these changes normally occurs in two stages. The first is the direct and obvious one. People, skilled and unskilled, lose their jobs and a period of churning in the job market begins.

The second stage is the bumping down as the skilled worker displaces the semiskilled, and the semiskilled displaces the unskilled.

Most of the unemployed people we see today are victims of this bumping down process. They are the undereducated, the unskilled, the older workers, and teenagers. Too often, they are members of minority groups.

Consider the youngsters in the 14- to 19-year-old bracket. Today, in that age group, unemployment reaches about 13 percent. For those in their early 20's it averages 9 percent. These young people are vulnerable because of inexperience, because they lack seniority and, overshadowing everything else, because they have not acquired either the educational background or the skills needed in today's labor market. Many of them are school dropouts.

Therefore, we must find new ways both to detect youngsters who might leave school and to prevent their doing so. Our first effort should be to keep them in regular school programs and help them through better teaching methods and a greater understanding of their problems. In cases where this fails, we should provide them with vocational education opportunities so that they may have the chance to acquire the basic skills necessary to earn a living.

And finally, we should also have the special camps which would be provided by the Youth Conservation Corps. I believe that this bill, already passed by the Senate, is a good one, and hope that it is approved by the House. If this experiment succeeds, then the camps should be continued so long as the problem exists. We simply cannot forget those who find it difficult to remain in schools, just because they represent a difficult challenge.

The unemployed older worker usually faces a slightly different problem. His skill and training have become obsolete. Often retraining will put such workers back into the labor force. But in some instances, it is hard, if not impossible, to find a place for these people.

The statistics on the older unemployed group are discouraging. Last year, 3 out of 10 unemployed men had been looking for work for more than 15 weeks. But among those unemployed men who were between 45 and 64 years of age, the number jumped to 4 out of 10, and over 64 it was 5 out of 10 who had been out of work for more than 15 weeks.

An increasing number of older men have been leaving the labor force in recent years. The trend seems to be accelerating. This is partly due to liberalized retirement provisions of the Social Security Act. It is estimated that when the age limit was reduced to 62, 100,000 men voluntarily retired at reduced benefits.

I believe that many more would retire if the benefits were liberalized even further. Moreover, I feel that the amount should be reconsidered to determine if it is adequate.

There are other approaches which can be helpful. Too often we tend to think of relocation allowances as applying only to depressed areas. They can also be useful to the hard core unemployed scattered throughout our country. In some areas of the country an unemployed worker not only has a limited opportunity for jobs, he may also not have the opportunity to get training. If a worker is trainable, and is willing to move, then I believe we must see to it that he can move to an area where there is a reasonable chance to find work.

Finally, if the unemployment problem does not respond to other corrective actions, it may become necessary to look at the total man-hours worked per year. Already we see a trend toward longer vacations, sabbaticals and more favorable industry benefits to encourage early retirement.

In addition, we must be willing to consider shortening the workweek. Please understand me. I am not advocating that this be done now.

A shorter workweek, undertaken suddenly, could do a great deal more harm than good, and so we must proceed slowly and with caution. If we were to cut the workweek now, without cutting take-home pay and

without raising productivity, we would add new labor costs to American products. On the other hand, I am sure working hours will eventually be reduced. In 1850, the average workweek in nonagricultural industries was nearly 66 hours; by 1900, 56 hours; by 1950, nearly 39 hours. And there it has hovered for a decade, declining less than 1 hour, despite the fact that it had dropped nearly 3 hours on the average, in each preceding decade for more than 100 years.

Unemployment is a complex and difficult problem. If any of us were faced with a personal problem of such serious proportions, I suspect we would all approach it in about the same way. First, we would try to define our problem. Then we would devise the solution we thought most likely to succeed, and try it for a reasonable period of time. If it did not work, we would turn to another solution and try that. We would keep repeating this process until we found an answer that worked. That is the kind of approach I think we must take.

We may have to try treatments we have never tried before. Had we concluded after World War II that the way to help save Europe was to let events run their course, we might today be alone in a Communist world. Instead, we responded to a new situation with a new measure. Some people said the Marshall plan would not work. But as a nation we had the good sense to know that it was more dangerous to tolerate the sickness than to try some new and unusual form of treatment.

This is like Americans—when ordinary methods fall short, we invent new measures, new programs and new approaches.

If present measures do not give us the results we need in depressed areas, then we should look at other approaches. Perhaps we cannot borrow directly from Puerto Rico or Europe, but we can consider temporary incentives of our own such as:

State and local tax concessions to attract new businesses to depressed areas. Where necessary, Federal assistance to replace revenue losses resulting from such tax concessions. A special program of accelerated depreciation allowable under Federal income taxes on new plant and equipment investments in depressed areas. And ultimately, direct Government subsidies for development and renewal programs in depressed areas.

If present measures do not solve the serious hard core unemployment problems which exist throughout the country, then, as I mentioned earlier, we should consider such other measures as: Relocation allowances for individuals; earlier social security retirement benefits; strengthened educational programs for the potential school dropout; and possibly, a shorter workweek.

In a sense, our success may stem as much from what we stop doing, as what we do.

Let's stop deferring adjustments we shall have to make in the hope that the need for them will disappear. The longer we put them off, the more they accumulate and the tougher they are to deal with.

Let's stop pretending that this business of adjustment can be left solely to the individual or the normal course of events. Hardship is inevitable in the process of change. We must learn to share it as we now share the benefits.

Let's stop thinking that we may be able to solve these problems with one grand solution that will take care of them forever. They are going to be with us forever in one form or another as technological change takes place, and what we must do is step up to each of them, find an answer and move on to another.

And let's conclude the debate as to whether we have a problem. We have. The time has come to find workable solutions.

If we do this, it will solidify us as a people and help insure our leadership in the world. If we fail, we may permanently alienate millions of citizens and possibly destroy our system while trying to defend some of its ideological details.

It has often been observed that America cannot hope to survive as an island of plenty in a sea of international poverty. It must be even more true that a majority of Americans cannot survive in unworried affluence while a minority are doomed to lives of idleness and poverty.

JOHN F. KENNEDY

Mr. McNAMARA. Mr. President, there have been many fine tributes paid to our late President, John F. Kennedy. One of these, which I found particularly appropriate, was written by John Herling, Washington correspondent and editor of John Herling's Labor Letter.

I ask unanimous consent that the text of Mr. Herling's tribute be printed in the RECORD at this point.

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

THE MOST TRAGIC NEWS OF OUR LIFETIME

We have all lost our President, and many of us a personal friend. Jack Kennedy lived life with zest and intelligence. He gave to all of us a renewed sense of the challenge, the laughter, and the danger of life. He brought into public career the importance of private dedication. His gaiety was always tinged with the imminence of uncertainty. He was serious without pompous solemnity. He was natural in demeanor but his demeanor was one of easy dignity. He was often fierce in private anger and scorching in his estimate of those whom he thought proved unworthy of trust or who tried to nail him or his friends to a double cross.

He was a wealthy young man; in his own lifetime he witnessed the transition of his family from middle income to great fortune. But an overriding fact about John Kennedy is that the aura of suffering hovered over him constantly. In his youth he was not too robust, and was rather introspective. During the war his great deed of daring for which he is remembered was a rescue operation of his comrades. He came out of the war with a smashed back which nearly cost him his life on the operating table 10 years later. Its dull ache plagued him all his remaining days. But it was not only personal suffering that he endured, he had a sense of folk suffering. He never forgot, and indeed many refused to let him forget, that he came out of a minority group. His father once said, "When will people stop calling us Irish-American and just call us American?"

The paternal anger was understandable. He was fighting for his children's rights. But the son turned his origin into a status symbol. His psychological insight made him understand the frustration and the yearning and the aspiration of all men of all groups who were hit by prejudice and who day after day were shot down by the glaring eye of the bigot. He understood full well that deprived men and women do not, indeed, cannot act always from the highest motives. But as a practical politician, he sought to convert dross into a new creative element.

His relations with the trade union movement were easy and spontaneous, and were based on a fundamental respect for the people in it, and for the historical and humanitarian posture of the American trade union development. He frequently felt that organized labor did not take sufficient advantage of its strength and position, while he never hesitated to indicate where he thought that important opportunities were lost either through carelessness, or lack of sensitivity. Just as he himself had a great sense of history, so he constantly sensed the significant place in history of the American labor movement.

He was a great reader. He was avaricious for learning. He admired men of ideas who acted to make them real. He was constantly exploring the geography of his own mind, and of the minds of others. When people like myself wrote a column, or a letter, we flattered ourselves that we were being read by the usual people, plus one. He sometimes would talk to newspapermen about something they wrote, and would give them as much time as he might an ambassador, or indeed, a head of state. Like a good newspaperman, which he once was, he sought to comfort the afflicted, and he never hesitated to afflict the comfortable, if he thought they deserved it.

We all died a little—oh, more than a little—when John Fitzgerald Kennedy was killed in Dallas. He had added to our self-respect, he had made us stretch our mind and our spirit even as he stretched his. We were fortunate as a people to have lived with Jack Kennedy and that Jack Kennedy grew into our lives. He might have perished in the Pacific war, he might have died on the operating table, but instead he lived on to be President—and he died when and as he did. We who used to ask him questions now will have to ask them of his successor. But for a long time, there will be an ache in the asking, and in that room, we shall hear the echo of that brilliant, gallant, and thoughtful man who today looks toward us from Arlington, and we to him.

J.F.K.'S LEGACY TO LABOR

Just a year ago in the same East Room of the White House where John Kennedy lay dead, the young President strode in with a confident, half-smiling, half-appraising look on his face to talk to 600 invited labor leaders. He looked out at them and then grinned widely. The faces before him were familiar. He knew personally more trade union men of national and local importance than any President before him. While President Franklin Roosevelt surely understood the nature and purpose of the labor movement, he was never really acquainted with many local leaders outside his own State. But J.F.K. knew them.

They warmed to him and he to them.

On that November day in 1962, the purpose of the meeting was to talk about civil rights and about organized labor's responsibility in the field. Mr. Kennedy said:

"I want to express my warm welcome to you in this historic room, and to express my great appreciation to you for your effort in joining together to commit ourselves once again to the goal of equal opportunities for all.

"This," he said, "is a cause you understand very well. The labor movement, after all, was originated by those who were being denied their equal opportunity. Whether it was because they were working 12 hours a day, 6 or 7 days a week, whether it was because they were immigrants, whether it was because of one reason or another, the labor movement began as a union of those who were the least privileged in our society.

"So it seems to me very natural that those who took into their ranks and, indeed, built their ranks upon immigrants, upon women who were exploited, upon men who worked too long, upon young people who were put to work under adverse conditions, old people who were dismissed when they were too old to sustain the burdens of long employment—that the labor movement could be, as it has been for the last 30 years, the natural center and core of the effort to provide better opportunity for all of our fellow citizens. Whatever their racial descent, whatever their religion, whatever their color, whatever region of the country they come

from, this is a cause to which labor has been associated for many years."

He turned to Lyndon Johnson, and said: "I want to commend the Vice President for his long efforts with all of the people of our country in making this cause more successful; the labor movement itself, and the Secretary of Labor Willard Wirtz. This is something you know all about. This is something you are doing. This is something we can all do better on."

Then with great emphasis he said: "The work of the labor movement isn't done. When the work of the labor movement is done, then all of you might just as well go home and stay in bed. The work of the labor movement goes on. It is wholly unfinished.

"There are too many areas of our country where there isn't equal opportunity, where people aren't adequately paid, where they work too long, where their rights are not guaranteed, and as long as that is true, there is need for the American labor movement.

"So I ask you to join in an old cause and a new one—and that is to make sure that in the ranks of labor, labor itself practices what it preaches. This is true of labor; it must be true of all of us."

THOUGHTS ON THE PRESIDENT'S DEATH

Mr. BARTLETT. Mr. President, I was moved in reading the letter written on the morning of the day when tragedy befell us, and the world, in the death of President Kennedy by a young man from Alaska who is studying in Germany.

Richard Gillam, honor student and Stanford University junior, is one of 60 Stanford students studying abroad for 6 months. The letter written in Stuttgart, Germany, was directed to his father, Byron Gillam, in Anchorage. Its text is worthy of a wide audience and I ask unanimous consent that the letter be printed following my remarks.

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

I am writing this letter on the morning of President Kennedy's death. I am writing because I wish to express my feelings to someone a bit closer to the situation than I. I am writing because I think a breathless moment in our history has been reached. I am writing because today—and perhaps only last night for a few terrible moments, or seconds—the world must suddenly view itself as it is. And I am writing because a great and good man has been destroyed.

He was a man who more than anyone of our century embodied the hopes and aspirations of mankind—he was the only figure in modern world history that would have spontaneously inflamed over 60,000 West Berliners—in a city directed microscopically by the hate of the world—to express their grief in a milling, unbelieving demonstration on the very spot where this man, only a few months before had said, "I am a Berliner."

And my father, Berlin is the world today—2 million flickering candles in an otherwise dark city have marked the ascension of this world's—and I mean Berlin's—Christ on earth.

It is trite, and so very true to say that he was an idea, a very needed idea in a world which it appears must ever again be snatched from the jaws of a ravaging entity that feeds on darkness and spews billowing mushroom-shaped clouds of destruction.

It is unconceivable that this event should have occurred, but it has—and the eternal inevitable and unanswerable question is why, why, why—?

And it matters not from which fountain of evil the assassin stemmed—as Mr. Cronkite (news analyst Walter Cronkite) so eloquently expressed—they have all participated and have all pulled the trigger.

In the early 1930's, the madman of all history came to power because he burned the Reichstag and blamed the Communists; the magnitude of evil then unleashed may never be comprehended but let us now at least realize that we are all morally accountable for yesterday's monstrosity because if we don't realize this fact we are only compounding the now manifest unrights in the history of man.

America will survive the crisis because it is a strong country. But we can survive either under the reactionary and stunting philosophy of isolationist self-centeredness and pragmatic, hatemongering opportunism or under a philosophy which I can only describe as one of hope, love, and intense world concern.

The man to carry on this philosophy I cannot name, but I hope to God, America, that you wake up, because you can either destroy or recreate yourself within the span of these coming precarious months.

The people of Europe realize this and are waiting. Last night the air was pervasive with confusion and fear. Crowds milling around the few still open newsstands could not and did not want to believe what they heard. People parked about American embassies throughout this continent prayed that the reality which they already knew was true was not true.

It seemed that a vital, elemental stay of reality had suddenly been smashed way, and a humanity in free fall clutched at all straws offering promise of support—yet last night there were no straws.

Viewed soberly in the light of a new morning, we begin to pull ourselves together. We begin to hope again. We find new references, a severely tried political system shows signs of pulling itself together also, and the world waits.

We may well be at a great crossroads in the path of human existence—we face the complexity of infinity in choosing our course—may we have the courage and wisdom, to find the right. And may we never forget the "why" of this great and terrible lesson we have been given.

IN MEMORY OF JOHN F. KENNEDY

Mr. McGOVERN. Mr. President, since the death of President Kennedy, many eloquent words have been written and spoken by our finest citizens.

No writer has come closer to expressing my own feelings about the President, his life, and his death than Mr. William Attwood, who writes in memory of the President in the December 31 issue of Look magazine.

Bill Attwood, who served as Ambassador to Guinea during the first 2 years of the Kennedy administration, now represents the United States on a special assignment to the United Nations.

I ask unanimous consent that Mr. Attwood's article be printed at this point in the RECORD.

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

IN MEMORY OF JOHN F. KENNEDY

(By William Attwood)

I never knew Jack Kennedy very well. I was not what they called a New Frontier insider or even an old friend. Over the past 4 years, I don't think I talked with him more than 20 times. So do not read on if you are expecting one of those intimate portraits.

I knew him as a boss—and he was a darn good one. You knew where he stood and what he wanted. You could always get to him when you had to, and when you did, you knew that he was interested in what you were doing and in what you had to say. I've just been looking at a note he sent me a few weeks before he was killed. He simply wanted to let me know he'd read an article I'd done for Look, and had liked it. And at the end he wrote, "Many thanks."

Many thanks. Well, I think perhaps it's my turn now to thank Jack Kennedy. Not for any personal favors—I don't mean that. He did make me Ambassador to Guinea, and I spent a couple of hard and satisfying years there, but I'm not thanking him for that. What I'm grateful for is something not as tangible: It's for having made me and my generation—some of us, anyway—feel alive, exhilarated and prouder to be Americans than we've ever been before.

This is no small thing. It takes a lot to give you this kind of feeling when you're past 40 and have, as they say, been around.

The funny thing is that Jack Kennedy seldom acted as if he were trying to inspire or stir up the people who worked for him. Maybe that's why he succeeded. Maybe we reacted to him and to his style of doing things because he was always cool, always restrained, always himself, and never, in the slang of our generation, corny.

I remember flying into El Paso on his plane during the 1960 campaign. It was night and we were late, and a crowd of 7,000 people had been waiting at the airport for hours. They wanted to yell and cheer, and they wanted him to wave his arms and smile and say something about the Texas sky and stars. But he just strode out of the plane and jabbed his forefinger at them and talked about getting America moving again. And then he turned and climbed into a car and drove away.

A few days later, when I saw him on the plane, I told him the crowd had felt let down and suggested that the next time he should at least wave his arms the way other politicians did and give people a chance to get the cheers out of their throats. Kennedy shook his head and borrowed my notebook and pencil (he was saving his voice for the day's speeches) and wrote, "I always swore one thing I'd never do is—" And he drew a picture of a man with his arms in the air.

Jack Kennedy could never pretend to be somebody he wasn't. He couldn't even put on funny hats or Indian feathers like other candidates. He had his own personal, downbeat style, and all who met him got used to it, and the country got used to it, too.

It was a style that had class—in the very best sense of that word. In Boston, where he started the long political journey that ended in Dallas, they loved him for it. Outside an Irish tavern on East Broadway in Boston, after President Kennedy died, a court clerk named Patrick Hines was trying to talk away his tears:

"Oh, I remember when he used to come marching down this street in a parade, and boy, he had that walk, and no hat, and—'My name is Jack Kennedy, I'm a candidate for Congress,' and girls used to flock around him—young, young, personality second to none—God, we'll miss him."

Outside of Boston, I don't suppose many Americans had yet learned to love him the way they loved F.D.R. or Ike (I'm sure he was embarrassed by the affection of those who did)—but even his political opponents liked and respected him, and that's what he really wanted.

Jack Kennedy was cool, but not cold. He sought the Presidency, he used to say, "because I want to get things done," and he was

anything but cool and detached about these things, these measures that he believed would make America stronger and the world safer.

Civil rights was one of the things he cared about, and I'd like to be able to thank him now for these words he spoke last June:

"If an American, because his skin is dark, cannot eat lunch 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?"

The day before, he had been speaking of the search for peace in a world divided between rival political systems:

"Let us not be blind to our differences, but let us also direct our attention to our common interests and the means by which those differences can be resolved. And if we cannot end now our differences, at least we can help make the world safe for diversity. For, in the final analysis, our most basic common link is that we all inhabit this small planet. We all breathe the same air. We all cherish our children's future. And we are all mortal."

This was the speech, they say, that induced Khrushchev to sign the test ban treaty. So here's something else to thank Jack Kennedy for.

He was tough, too, and God knows we needed a tough President as we entered the sixties. I first glimpsed his toughness a few weeks before he was nominated. We were having dinner in Washington. I had been doing some work for Adlai Stevenson, and Kennedy wanted to know why Stevenson was holding back, instead of supporting him for the nomination. I told him that some of Stevenson's friends thought the convention might deadlock, and they wanted him to be available, just in case. Also, people were talking about a Stevenson-and-Kennedy ticket.

Kennedy dismissed this possibility. He had the first-ballot votes all but sewed up, and if by some chance he couldn't make it, he would never settle for anything else. He was running for the Presidency, period.

I started to say something about how some people thought he wouldn't refuse the second spot if it came to that, but he cut me off in midsentence. His eyes were cold and his voice—as flat as a slap—ended the conversation, "Yes, well, you can tell them they're wrong."

I have a feeling that the Soviet Ambassador saw that look and heard that voice during the Cuban crisis last year, just before the Russian ships turned around in mid-Atlantic.

The whole world can be thankful for that.

Jack Kennedy understood this revolutionary era we live in. We knew he did on that cold, sparkling afternoon in January when he stood on the steps of the Capitol and flung out the words that still stir me as much as any words I have heard:

"Let the word go forth from this time and place, to friend and foe alike, that the torch has been passed to a new generation of Americans, born in this century, tempered by war, disciplined by a hard and bitter peace, proud of our ancient heritage, and unwilling to witness or permit the slow undoing of those human rights to which this Nation has always been committed, and to which we are committed today at home and around the world."

Around the world. He was respected around the world because he was trusted—and because of him, those of us privileged to represent our country in the world were trusted, too. It was a wonderful time to be an American abroad. How often I can remember being able to say, with pride, in Africa, "I know this is what President Kennedy believes—this is what we Americans stand for." I remember the foreign minister who told me: "Let me know what we can do to help your President. We need him as much as you." And I remember, at the United Nations in New York, the day he died, all the African hands gripping mine, the eyes full of tears.

He talked the language of the young leaders of this turbulent new world because, in his midforties, he was one of them. I saw some of these leaders at the White House and talked to them later. They thought of him as a friend. He knew their problems and made them understand ours. It was because of President Kennedy, because they had talked to him and knew what he was trying to do, that the leaders of black Africa have been so understanding of the torment and the violence of our own struggle for freedom and equality here at home.

Out in the world, Jack Kennedy's memory will also live on, for years to come, wherever the Peace Corps is, for that was his idea and, I suspect, one of the most enduring legacies of his administration. For the Peace Corps volunteers, I'm sure, as for most of us who were serving overseas when he was President, it was good to know he was back there in the White House, cheering us on, in his own way, by making the decision and fighting for the legislation that would help us in our work.

Like Harry Truman, he could make up his mind, and he didn't pass the buck. He made you want to try harder because you knew he was trying all the time. Those of us who worked for him usually felt we were hitting on all cylinders, and glad to be. He often spoke of the ancient Greeks' definition of happiness—"the exercise of vital powers along lines of excellence in a life affording them scope"—and some of us were able, under his leadership, to appreciate that definition for the first time. And I'm grateful for that.

Jack Kennedy was so much a part of everything we did in Washington that the day after his death, waiting at the State Department before going over to the White House, I still found it hard to believe, impossible, really, that the President would not be there to greet us in his office. He had been dead, after all, less than 24 hours. It wasn't until I walked into the darkened East Room and saw the flag-draped casket that I fully realized that we had lost him—and what an unexpectedly personal loss it was for someone like me, who had known him so fleetingly.

The Kennedy administration was an exciting time to be alive, and a good time to be busy. I think the Johnson administration will be, too, for the new President has the experience and the drive, and the Nation now has the momentum. But my thoughts are still turned to the years just past, rather than to the years just ahead. All I know, as I end this memoir, is that I shall always be proud to have been involved with the history of this time—the New Frontier period, as the historians will surely call it—and that my children—the two old enough to have worn Kennedy campaign buttons and the one soon to be born—will also remember and be proud of what their father was doing in the early 1960's.

So I have that to thank Jack Kennedy for, too.

And now, with Christmas almost upon us, I find myself thinking of last Christmas and the present I brought back to my 11-year-old daughter from the White House. It was a note from the President in answer to a letter she had written him. She had it framed, and it has been on her bedside table ever since. The note is signed, "Your friend, John F. Kennedy."

She never met the President, but she always thought of him as her friend, and she was crying that terrible weekend because her friend was dead.

This Christmas, I think a lot of Americans, like my daughter, feel they have lost a friend. They have.

LYNDON JOHNSON: TRAINED FOR POWER

Mr. McGOVERN. Mr. President, one of the most perceptive political writers of today is Mr. Fletcher Knebel, coauthor of the best-selling volume "Seven Days in May."

Mr. Knebel has given us an appraisal of our new President, Lyndon Johnson, that is in his pattern of excellent writing and interpretation.

I ask unanimous consent that the article from the December 31 Look magazine be included at this point in the RECORD.

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

LYNDON JOHNSON: TRAINED FOR POWER

(By Fletcher Knebel)

In the numbing hours after John F. Kennedy's life fled away in the blood-stained lap of his wife, many Americans wondered fearfully about their new President. Few of them really knew him, and in some northern areas, many could not even identify him. A television show last autumn interviewed 137 persons at random in New York, New Jersey, and Kansas. Forty-four of these could not identify Lyndon Johnson. To understand Lyndon Johnson, you must understand Texas.

Texas has power, sweep, grandeur, brashness, ebullience, a raw simplicity, egotism, patriotism, crudeness, flamboyance. So has Lyndon Johnson, a Texas man. Texas can overwhelm—in hospitality, in pride, in self-analysis, in earthly humor, in work, in aggressiveness. So can Lyndon Johnson. Texas can live extravagantly and lavish itself upon others. So can Lyndon Johnson. Like Texas, Johnson is rugged, virile, self-made. His handsome, mobile face reveals, as candidly as a mirror, the strong emotions that course through him. Lyndon Johnson, like his native State, is outsize.

Political leaders of both parties know that. They know Johnson as a man to whom power clings as naturally as does moss to a live oak. "Power is where power goes," said Johnson when friends counseled him at the Democratic National Convention against accepting the vice-presidential nomination tendered by Kennedy. Throughout the three decades of his political life, Johnson was never far from the seats of power. He was a young friend of President Franklin D. Roosevelt. "He was like a daddy to me," Johnson often remarks. He was an intimate of the late House Speaker Sam Rayburn. As majority leader of the Senate, Johnson ran that intricately fragmented body as it had never been run before. He served President Kennedy loyally through the last 3 years. Johnson was not born to power, but he schooled himself for it, and he found its lure irresistible.

He assumed the office of President naturally, simply, without fright, without histronics. UPI correspondent Merriman Smith, in a brilliant eyewitness story of Johnson's oath-taking ceremony, told how Johnson was sworn into office in Air Force 1, the Presidential jet transport parked at Love Field, Dallas. Johnson kissed his wife, Lady Bird, and then placed an arm about Mrs. Kennedy, kissing her gently on the cheek. Many of those in the group of 27 persons

pressed forward to shake the new President's hand, but Johnson backed away and said, "Now, let's get airborne."

Johnson was firmly in command, only 99 minutes after the last breath left John Kennedy's body. Many of the tears shed that black Friday, November 22, 1963, were shed by Americans who thanked God for a constitutional system that permitted such a smooth and rapid transfer of national leadership. And some people wept in relief that Johnson was a man trained and molded for such an hour. Later might come the stormy political battles over issues and Johnson's conduct of the Presidency. At the moment, the only question was one of leadership. And Johnson was a leader, proud, dignified, composed. The petite Lady Bird had unknowingly forecast this hour in an interview 2 years before. "Lyndon," she said, "is a good man to have around in a tough situation."

Johnson's attitude toward the Presidency has always been a mixture of reverence, personal ambition, and a naked confidence in his own ability to handle the job. In the spring of 1959, Johnson lay in a hammock beside the swimming pool of his Texas ranch. The Senate majority reader was discussing the coming presidential race with a Look writer. Johnson gazed out over his land, which lay serene and benign in the warm sunlight. "Would anybody give up all this to run for President of the United States?" he asked suddenly. Without waiting for a reply, he said with a touch of sadness in his voice, "Yes, I guess he would."

A man is known by his moments of trial. Because of his long exposure to national politics, as a New Deal Congressman, as a middle-of-the-road Senate leader, and as a New Frontier Vice President, hundreds of Washingtonians carry mental vignettes of Lyndon Johnson in times of crisis. Here are several that hint at the personality core of this strangely complex man.

On the night of Tuesday, October 23, 1962, Johnson was the watch officer for the informal executive committee set up during the Cuban missile crisis. The White House had announced that a naval blockade of Cuba would begin at 10 a.m. the next day. The question was war or peace. Would Russian Premier Nikita Khrushchev turn his arms-laden ships around or order them to fight their way to Cuba?

Flanked by intelligence officers and aids, Johnson maintained an all-night vigil in the Washington mansion he had recently purchased from Perle Mesta. As surveillance reports flowed in from the Atlantic, there was no hint that Khrushchev would flinch. Johnson began to talk about the decision to confront Russia, about America, about the Constitution. It was a rambling discourse, yet one filled with determination and quiet courage. Once, he said they must face the fact that nuclear war might erupt, that the city of Washington might not exist in a few days. A Johnson aid will never forget driving home through deadened Washington streets shortly before dawn Wednesday, musing on Johnson's ability to face the ultimate danger without a crack in his composure.

Another vignette shows Johnson in one of his turbulent moods, when he batters out policy in bruising engagements with other officials. He was touring Asia on a good will mission for President Kennedy, and among his party was Carl Rowan, a Negro State Department official and now Ambassador to Finland. Rowan and Vice President Johnson had squabbled over a proposed statement involving Prime Minister Nehru, of India. Rowan insisted that one paragraph of the statement should be deleted. Johnson refused. They argued heatedly, and curses were heard. Johnson was not accustomed to "no" men around him. The set-to ended on an abrasive note.

But the next day, the paragraph was deleted, and Johnson apologized to Rowan. "You were right," he said. "It never hurts to get your head knocked in and keep coming back for more." Now, Johnson and Rowan are friends, tied by mutual respect. The incident also throws light on Texan Johnson's racial attitudes. A close friend and assistant once observed, "There isn't an ounce of discrimination in Lyndon's makeup. He can bawl out anybody, regardless of race, creed, or color."

A third vignette is shared by a score of people, but none of them remembers it in quite the same way. It shows Johnson at the 1960 Democratic Convention at Los Angeles, the day after Kennedy defeated him for the Presidential nomination. The nominee offered the Vice Presidential nomination to Johnson, and Johnson, surprisingly, accepted. Then ensued 4 hours of tumult in Johnson's suite at the Biltmore Hotel. Robert F. Kennedy, campaign manager for his brother, appeared three times among the crowd of aids and friends milling about in the clutter and debris of Johnson headquarters. Each time the younger Kennedy appeared, he brought tales of woe and devastation in party ranks. Labor was in revolt, he said. The liberals wouldn't take Johnson.

On Bob Kennedy's first visit, he warned Johnson that rebellion had erupted in the Michigan delegation. Auto Workers President Walter Reuther had turned thumbs down on Johnson. "They're always revolting," rasped Johnson. "We're going ahead and to hell with it." Bob mentioned the possibility of the party's national chairmanship for Johnson instead. Craggy Sam Rayburn rejected the idea with a four-letter expletive.

On Bob's second visit, Johnson brushed him off to Rayburn and John Connally, Jr., later the Texas Governor who was seriously wounded in the Kennedy assassination. Rayburn listened to Bob's story of spreading revolt. "My man's not runnin' for nothin'," said Rayburn, "and he's not withdrawin' from nothin'. Besides, that's up to the candidate. He asked him to run."

On the third trip, Bob was braced by Connally. "If it's your purpose to get Lyndon to withdraw," said Connally, "you're wasting your time. He isn't going to do it. That's final."

When Philip L. Graham, the late publisher of the Washington Post and a friend of both Kennedy and Johnson, entered the Johnson suite about 3:30 p.m., he found a scene of desolation, as he recalled later. Johnson lay on his bed, muttering "doublecross." Lady Bird was on the verge of tears. Rayburn was apoplectic. Bob Kennedy, restless and agitated, was conferring with Johnson aids. Connally wore a look of fury. There had been no recent direct communication with Jack Kennedy. Graham called him. Kennedy, quietly unconcerned, asked what all the excitement was about, then said: "We may lose Alex Rose and the Liberal Party in New York, but we're going ahead with it." He read his proposed public announcement of Johnson's selection, said he was going on TV in a few minutes and advised Johnson to get ready to do likewise. Johnson bounded out of bed, grinning and ready for battle. Nobody knew it then, but in this caldron of convention politics, two Presidents of the United States had been forged.

Johnson is a large man. He stands 6-foot-3 and weighs about 190 pounds. He used to weigh over 200, but a postelection diet stripped off 29 pounds. He has regained weight since. He suffered what he called a "massive" heart attack in 1955, but he shows no lingering cardiac disturbance and appears fit and healthy for his 55 years. Once a hearty drinker and heavy smoker, he neither smokes nor drinks whisky. Occasionally, he sips a little wine at dinner.

He formerly worked 18-hour days, his torrent of energy impelling 3 a.m. phone calls to fellow Senators. Since the heart attack, he has learned to pace himself, but he still drives himself in powerful bursts in times of stress.

There is corn in Johnson's makeup. On his campaign train through the South in 1960, his accent got richer, his anecdotes grew more pungent. He can wear ten-gallon hats and cowboy boots. In Washington, his $200 suits contrasted with flashy ties and colored shirts. President Kennedy once alluded affectionately to "Lyndon's riverboat gambler" style, so alien to his own taut restraint. Often Johnson's ghost-written prose on such subjects as space and weaponry bristled with gaudy verbs. And then at times, he would rue his cattle-and-tumbleweed manner. "When you going to help me wipe this tobacco stain off my jaw?" he once asked publisher Graham.

Although his admirers have included such impeccable intellectual types as former Secretary of State Dean Acheson and retired Supreme Court Justice Felix Frankfurter, Johnson never thrived on academic cultural fare. He was graduated from Southwest Texas State Teachers College and attended Georgetown Law School, but he reads few books, cares little for such pursuits as art, literature and drama. His great store of practical knowledge about government and its problems comes largely from experience and briefings by experts.

In politics, his love and his life, his philosophy is a simple one: "Let's keep our eyes on the stars—and do the possible." He leads by arrangement, by persuasion, by compromise. "Lyndon," says a Senate admirer, "is not a crusader. He never cries, 'Follow me to the barricades.' Rather, he leans against an issue and then fixes the gate so the troops can pour through."

In Senate days, Johnson was literally a physical leader. The "treatment" for wavering Democrats included the laying on of hands, a finger jabbed in the ribs, a lapel grasped, an arm clutched or a pair of shoulders embraced. Leader Johnson coaxed, implored, wheedled, only rarely threatened. But always in the background was the shadow of power, his power to grant or withhold a multitude of favors.

In January 1960 some Democratic Senators chafed under his leadership and demanded less dictatorship and more democracy in party councils. The move died aborning, by a vote of 51 to 12. The extraordinary fact about this vote was not the dozen Senators who opposed him. It was that after 7 years of ironhanded rule, Johnson could still muster the allegiance of 51 Democrats in a legislative body renowned for its individual caprices and restiveness under party discipline.

Vanity has led Johnson into numerous bouts with the press. He warned photographers not to picture him wearing his glasses. Criticism pains him. Like some labor leaders, he desires total approbation in character sketches about him. Eighty-percent approval won't do, and, accordingly, President Johnson will not like this article. He spent most of one busy Senate day taxing one reporter for the source of a story that Johnson had been stranded in a Capitol elevator for a few minutes one night. Yet, once a culprit's offense has faded into memory, Johnson can lavish warmth and hospitality on a newspaperman. The truth appears to be that Johnson wants to be loved, a not uncommon human emotion.

There is no question that Johnson would have steered a somewhat more conservative course in the last 3 years than did Kennedy, particularly in fiscal policy. At White House conferences in the summer of 1961, when a boost in defense spending was proposed, Johnson argued that a 2-percent hike in taxes should accompany the increase. He

lost his case. Kennedy wanted no new taxes. Also, Johnson would not have made some of the liberal appointments that Kennedy did. He has been known to call some of these men 'red-hots' and 'far-out boys.' Yet the differences between Kennedy and Johnson should not be exaggerated. On broad-gage foreign and domestic matters, they would have sailed a roughly similar course.

Johnson was born near Stonewall, Tex. His father had been wealthy and served in the Texas legislature, but a depression wiped him out before Lyndon's birth. Johnson grew up as a poor boy. After high school, he bummed his way to California, working at odd jobs, including elevator operator. He worked his way through college and taught high school before going to Washington as secretary to Representative Richard M. Kleberg, of the King Ranch family. In 1937, he won his own seat in Congress and has been in Washington ever since.

In 1948, he defeated Gov. Coke Stevenson in the Democratic primary for Senator by 87 votes out of a total of almost a million. Charges of fraud provoked a lengthy court battle that Johnson finally won. His towering majority among Mexican voters in boss-controlled Jim Wells County inspired a story that still circulates:

Manuel: "Pedro, why are you crying?" Pedro: "It is because of my poor dead father." Manuel: "But, Pedro, your father died 10 years ago." Pedro: "That's just it. Yesterday, my father came back to vote for Lyndon Johnson, but he no come see me."

As an employer, Johnson is a driver. His staff works as hard as any in Washington. He once dictated 131 letters to one girl in a single 12-hour stretch. He can be curt and explosive with subordinates, then turn about and overpower them with gestures of affection and generosity. He has a keen eye for talent, and the Kennedy administration was sprinkled with Johnson men of high ability. There is no halfway house for Johnson staffers. Either they dislike him and quit, or they work long hours for him in the grip of a fierce loyalty.

Johnson's family is wholesome America. He has two daughters, Lynda Bird, 19, a student at the University of Texas, and Lucy Baines, 16, a student at the National Cathedral School for Girls, in Washington. They are pretty, merry girls, atwitter with activity. Said Lynda Bird, when Queen of the President's Cup Regatta: "My life is one constant struggle for survival."

The Nation's new First Lady, christened Claudia Alta, is a successful businesswoman who inherited $67,000 and ran it into a small fortune through TV, radio, and real-estate enterprises. A sparkling woman of 51, she is only 5 feet, 4 inches, and weighs but 118 pounds, thanks to a diet that brought her down from 132. She once cared little for clothes, but Johnson demanded more style, and she launched into the cosmetics-and-wardrobe fray like a true competitor. She is gay, practical and completely natural. For the Johnsons, the love affair of 1934 has never eroded. They are proud of each other, and they show it.

Johnson's last 3 years have been trying ones for a man with his flair for action and leadership. He had to follow Kennedy, who had been Johnson's follower in the Senate. The reversal of roles found Johnson, for the first time in his life, playing everything in low key. But he was 100 percent loyal. Never once did he backbite, in public or private. Never once did he vent displeasure or express annoyance.

"I'm trying to be the kind of Vice President," he said, "that I would want if I were President. If there's only one man left the President can trust, I want that man to be me."

Now, President Johnson will demand that same kind of loyalty as he seeks to govern the Nation and steer toward his own nomination for President next summer.

The making of President Lyndon B. Johnson occurred in his Biltmore suite at the Democratic Convention of 1960. Now, the principal actors in that tense scene have been seized by the fates as though they were characters in a Greek tragedy. President Kennedy lies buried, slain by an assassin's bullets. John Connally, Jr., was grazed by death in the same ambush. Robert Kennedy, no longer the sole trusted confidant of a President, is a sorrowing brother. Publisher Graham is in his grave, a suicide after a mental breakdown. Sam Rayburn is dead of cancer. Lyndon Johnson, unwanted by Robert Kennedy and others in the party, stands at the pinnacle of power. Perhaps, in some mysterious way, the Presidency was Lyndon Johnson's destiny.

PRESIDENTIAL SUCCESSION

Mr. BAYH. Mr. President, in recent weeks there has been considerable interest in the related questions of presidential succession and disability. Although there is substantial disagreement as to what specifically should be done to meet these problems, most observers agree that action is needed.

The Constitutional Amendments Subcommittee, of which I am chairman, will hold hearings on these various proposals early next year. In the meantime, however, I would like to introduce for the benefit of my colleagues some of the many articles and editorials on the subject which have appeared in recent weeks. Yesterday, I introduced a series of articles dealing with the problem of Presidential disability—a problem which is the subject of sections 3, 4, and 5 of my amendment. Today, I would like to introduce a series of articles dealing with the line of succession.

Mr. President, I resent the attempts of some columnists to use articles on the question of succession to cast aspersions on the distinguished and well-qualified Speaker of the House or the President pro tempore of the Senate. They are both able and well-qualified public servants. But I think that the present law of succession is wrong and should be changed, and I would urge this change—as put forth in section 6 of my amendment—regardless of who was holding the offices of Speaker and President pro tempore.

My reasons for advocating such a change are contained in the following articles by Chalmers Roberts, Lucius Wilmerding, Jr., Congressional Quarterly, and Lindsay Rogers, and in editorials from the Washington Post and the Christian Science Monitor. I ask unanimous consent that they be included at this point in the RECORD.

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

[From the Washington (D.C.) Post, Dec. 6, 1963]

EVENTS MULTIPLY IMPORTANCE OF ISSUE—SUCCESSION THROUGH CABINET LINE URGED

(By Chalmers M. Roberts)

In the current discussion of the presidential succession, now that the United States once again has no Vice President, any proposal must be measured against some fundamentals in the American system of Government.

For example:

Continuity of the American Government is primary. As President Johnson put it, "continuity without confusion" must be "the key to our system." Communist regimes have succession crises; there must be none in the American system.

Since a President and his Vice President are elected from the same political party and since they have been elected as the leaders of a specific party, the succession beyond them should be within the same party.

Since continuity of policy, at least in general terms, ranks in importance with continuity of government and continuity of party control, the Cabinet is the logical line of succession after the Vice President.

Cabinet members all have to pass Senate scrutiny for confirmation. The senior member is the Secretary of State, and foreign affairs is and doubtless will remain the most critical area of knowledge for a successor to the Presidency. Next in line are the Secretaries of the Treasury and Defense, both of whom deal in international problems.

Furthermore, the top Cabinet members have been intimately concerned with administration policy and world affairs, far more so than any Member of Congress.

For 61 years prior to 1947, the succession law (an act of Congress) put the Cabinet next in line after the Vice President, in order of the establishment of the various departments the Cabinet members head.

In 1947, a Republican-controlled Congress did what a Democratic-controlled Congress 2 years earlier had refused to do at the urging of Democratic President Harry S. Truman—change the succession to put the Speaker of the House and the President pro-tempore of the Senate ahead of the Cabinet members.

Mr. Truman favored the idea of elected officials, rather than appointive Cabinet members, being in line behind the Vice President. Had he died in office, Republican Speaker JOSEPH W. MARTIN, JR., or later Democratic Speaker Sam Rayburn would have succeeded. In MARTIN'S case, party political power would have shifted.

Age is another important factor. The current Speaker, Democrat JOHN W. MCCORMACK, will be 72 on December 21. By contrast, Secretary of State Dean Rusk is 54.

Of the 11 men who have reached the speakership, essentially but not entirely a matter of seniority and longevity, in the 20th century, the oldest was 72 and the youngest 56. One other was 70 and another 58; the remaining seven were in their sixties. However, many served a long time; Rayburn was 77 when he died and 6 of the 11 were in the seventies as Speaker.

By contrast, of the last 11 Secretaries of State (Charles Evans Hughes to Rusk), one was in his forties on taking office, three in their fifties, and seven in their sixties.

On leaving office, only 2 of the 11 were in their seventies; Cordell Hull, the oldest, was 73. Roughly speaking, the median age of Secretaries of State as possible successors to the Presidency has been about 10 years less than that of Speakers.

All of this discussion has to do with the simplest part of the presidential succession issue. The more difficult problem relates to presidential disability, a problem that has never been satisfactorily resolved.

One has only to imagine what might have happened had the bullets that killed President Kennedy left him alive but partially paralyzed, able only to carry on in a limited way.

The compacts between Presidents and Vice Presidents agreed upon by Mr. Eisenhower and Mr. Nixon and then Mr. Kennedy and Mr. Johnson provide at least a partial solution to this disability problem. But it will be more difficult to implement such a compact between a President and the Speaker.

The compact announced yesterday between President Johnson and Speaker McCormack may seem to offer a temporary solution in the current situation, but it also raises new problems.

If the Speaker became Acting President because of a presidential disability, he would have to resign both his speakership and his House seat. If the President then recovered, the Speaker apparently would be out of a job, indeed out of two jobs.

But if the President should die while the Speaker were only Acting President, then not he but the new Speaker, meanwhile elected to succeed him, would be the new President. Or so it would seem on first analysis.

With such problems as these now arising, the only sensible procedure is for Congress promptly to restore the Cabinet line of succession. Then it should set up a blue ribbon committee to write a new law on disability, a problem on which it will take much longer to reach a consensus.

[From the Washington (D.C.) Post, Dec. 8, 1963]

WOULD CANCEL ACT OF 1947—CONSTITUTIONAL SCHOLAR PROPOSES RESTORING SUCCESSION TO CABINET

(EDITOR'S NOTE.—The problem of Presidential succession once again is a matter of major national concern. This article was written at the request of the Washington Post by one of the country's foremost authors and constitutional scholars.)

(By Lucius Wilmerding, Jr.)

The Constitution gives Congress the power to provide by law for the case of removal, death, resignation, or inability both of the President and Vice President, "declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected."

It has always been understood that the word "officer" means "officer of the United States"; and, indeed, the resolve adopted by the Federal Convention and referred to the Committee on Style for inclusion in the draft of the Constitution expressly restrains the temporary appointment to officers of the United States. As the Committee on Style had no authority to change the substance of any resolve, the omission of the words "of the United States" must be regarded as accidental. We know from Madison's notes of September 7, 1787, that some members wished Congress to be at liberty to appoint others than such, but we know also that they were overruled.

The debate in the first Congress—January 10 and 11, 1791—on a bill declaring what officer, in case of vacancy in the offices of President and Vice President, shall act as President, confirms this construction of the Constitution.

VARIOUS OFFICERS PROPOSED

William Smith, of South Carolina, observed that, by the Constitution, the vacancy is to be filled with an officer of the United States. This narrows the discussion very much. No one disputed this statement. The only disagreement was on the officer to be designated. Various members proposed the respective offices of Chief Justice, Secretary of State, Secretary of the Treasury, and President pro tempore of the Senate, but no agreement was reached and the bill failed.

In the next Congress the discussion was resumed and on March 1, 1792, an act passed designating the President pro tempore to act as President in the event of a double vacancy in the Executive Office. It had been argued in both Houses that an officer of the Senate or House of Representatives was not an officer of the United States, and so was constitutionally ineligible to act as President, but the contention could not be sustained.

ACT OF 1792 REPEALED

The act of 1792 was repealed in 1886 and the Secretary of State substituted for the President pro tempore of the Senate. In 1947 this act was in turn repealed and the Speaker of the House designated for the temporary appointment, but a novel provision was introduced. The Speaker must resign his office and his seat in Congress before beginning to act as President.

How does the act of 1947 square with the Constitution? No one can now challenge the proposition that the Speaker of the House is for the purposes of filling a vacancy in the Presidency an officer of the United States—the legislative construction of the Constitution made in 1792 has determined the question. But what office of the United States is held by a resigned Speaker? The language and intent of the Constitution seems sufficiently clear. The person designated is not to be President but to act as President until the disability of the elected President or Vice President is removed or until a new President is elected. At the same time he must be an officer of the United States. Under the Constitution, a Speaker who resigned his office before beginning to act as President would disqualify himself for the temporary appointment; if he resigned afterward he would create a new vacancy.

MADISON'S OBJECTION

The possibility of putting a resigned officer into the presidential chair even for a day was not contemplated by the first Congress. One of the objections offered by Madison to designating the President pro tempore of the Senate was that he would "still hold his office—thus he will hold two offices at once."

To cast doubt upon the constitutionality of the act of 1947 is to confuse a problem already difficult enough. But that the doubt exists can scarcely be denied. In the present situation there is an urgent necessity that it be resolved.

To review the last and bring it into conformity with the Constitution and the exigencies of the moment must be a work of time—and there is no time. But there are two ways in which the present danger might be avoided. If the Speaker of the House and the President pro tempore of the Senate (who becomes Acting President if there is no Speaker or the Speaker fails to qualify) were jointly to declare that neither would resign his office, the succession would pass under the act of 1947 to the Secretary of State.

An alternative and perhaps a better mode would be for Congress, by a legislative construction of the Constitution, to declare the act of 1947 null and void from the beginning. In that case the act of 1886 would be restored to the statute books, and the Secretary of State would become once again the officer designated to act as President until the disability be removed or another President be elected.

INTERMEDIATE ELECTION

The act of July 29, 1789, declaring that the power of removal is vested by the Constitution in the President alone is a precedent for such a legislative construction, as is the act of 1879 above mentioned.

This second solution would have the further great advantage of striking from the statute books that part of the act of 1947 that requires the Acting President, except in cases of inability, to serve for the remainder of the President's term. It would then be possible for Congress to provide by law for the election of a new President and Vice President at an early period as it did in the act of 1792. The desirability of an intermediate election is obvious in the event of a double vacancy occurring near the beginning of a term. A midterm election would not disturb the synchronism of the Constitution, for at that time, as at the regular period, the whole of the House of Representatives and one-third of the Senate are chosen.

These are drastic solutions to a problem that requires long and careful consideration, but they would meet the immediate difficulty and buy time for such consideration.

[From the Washington (D.C.) Post, Dec. 12, 1963]

(The Congressional Quarterly)

U.S. LAW OF SUCCESSION HAS PITFALLS

The moment Lyndon B. Johnson became President, the United States no longer had a Vice President. Under a 1947 law, Speaker of the House JOHN W. McCORMACK, a veteran Boston Democratic Representative, moved next in line to the Presidency.

McCORMACK'S position a heartbeat away from the Presidency has aroused widespread concern on two counts:

First, McCORMACK has never been considered a man of Presidential stature. For many years he proved effective as majority leader under the late Speaker Sam Rayburn, Democrat, of Texas, but since his election in 1962 to succeed Rayburn largely on the basis of seniority, he has failed to match Rayburn's legislative successes.

Moreover, McCORMACK will be 72 years of age December 21. No President has ever achieved that age in office.

President Eisenhower was 70 years, 3 months, and 6 days old when he left office in 1961. Serious doubt exists as to McCORMACK'S physical ability to withstand the pressures of the Presidency.

PROBLEM OF DISABILITY

Secondly, concern has been expressed about what might happen in the event of a temporary Presidential disability.

President Eisenhower and Vice President Richard M. Nixon, and later President Kennedy and Vice President Johnson, made written agreements providing that the Vice President would become acting President if the President were temporarily disabled.

If the President were unable to communicate, the Vice President would confer with the Cabinet before assuming the powers of the office. He would relinquish Presidential powers as soon as the President declared himself able again.

On December 5, the White House announced that President Johnson and Speaker McCORMACK had agreed verbally to follow the example of the Eisenhower-Nixon and Kennedy-Johnson agreements. But Press Secretary Pierre Salinger acknowledged a serious difficulty not covered by the new verbal agreement.

Under the automatic Presidential succession law of 1947, which puts the House Speaker next in line, it is specifically stipulated that the Speaker shall only "act as President * * * upon his resignation as Speaker and as Representative in Congress."

CONSTITUTION PROVISION

Not even an act of Congress could change the effect of that language, because the Constitution also provides that "No person holding any office under the United States shall be a Member of either House during his continuance in office."

Thus McCORMACK would be required to resign as Speaker and as a Member of Congress to assume the duties of the Presidency, even if it were just for a few hours or days in the event of a temporary presidential disability.

The possibility raises a series of questions: Would McCORMACK be willing to resign from Congress to be acting President, knowing it might be only for hours or a few days; if he were to refuse or hesitate, might the country not find itself without a President for a period of time; and how could the country react to a threatened nuclear attack or other international emergency under such conditions?

SHORT-TERM SOLUTIONS

Two short-term solutions to the problem appear possible.

One, advanced by two western Massachusetts newspapers during the week of December 2, would be for McCORMACK "to recognize the incongruity of his present situation by stepping down as Speaker of the House so that a younger man can be elevated to the post which is now, in effect, the Vice Presidency."

Another possible solution would be for both McCORMACK and Senate President pro tempore CARL HAYDEN, Democrat, of Arizona, 86, the man who would be in line for the Presidency if no Speaker qualified, to execute written documents declining to accept the duties of the Presidency. In that event, the Secretary of State, and after him the other Cabinet officers, would be in line for the Presidency, as they were previous to passage of the 1947 succession law.

AMENDMENT NEEDED

Most proposed long-term solutions, however, would require a constitutional amendment.

One simpler solution would be for Congress to revoke the 1947 succession law and once more make Cabinet officers next in line, as they were from 1886 to 1947.

The system was changed in 1947, partly because President Harry S. Truman said he did not think he should have the power to appoint, in effect, his own successor through Cabinet designations. Observers have recently pointed out, however, that presidential candidates almost always designate their vice presidential running mates—another form of naming their potential successor.

Because of their positions, Cabinet officers can be kept fully informed on all executive branch activities. The separation of powers between executive and legislative branches creates some problems on fully briefing congressional officers.

Moreover, Cabinet officers—especially the Secretaries of State, Treasury, and Defense, the first three in line of succession—are likely to have a fuller grasp of key international developments than any congressional officer.

[From the Reporter, Dec. 19, 1963]

THE LINE OF SUCCESSION

(By Lindsay Rogers)

Eight of the 36 Presidents of the United States were elected as Vice Presidents and moved to the highest office when Presidents died. Shock and sadness there have been, but the transitions have been orderly and the country has always rallied behind the new Chief Executive. We have been able to say to ourselves, as James A. Garfield (who was himself to be our second assassinated President) said on the morning of Lincoln's death, "God reigns, and the Government at Washington still lives."

Happily, no President has died while the Vice Presidency was vacant. Happily all Presidents who moved up from the Vice Presidency finished the terms for which they had been elected. Thus the constitutional mandate has so far sufficed to determine the Presidential succession and we have never had to follow congressional wisdom—or lack of it—as expressed in Presidential succession acts. There have been situations in the past when, had we been compelled to follow the act, it would have been difficult for the "Government at Washington" to continue to live. I suggest that the present situation is one we should examine, and to do this adequately a little study of history is necessary.

The framers of the Constitution sought to guard against any Presidential interregnum by providing that "In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President." They then empowered the Congress to provide by law "for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly until the disability be removed or a President shall be elected." The Second Congress passed a Presidential Succession Act dated March 1, 1792, with scant discussion of the possible constitutional objections or of the practical difficulties of its application.

The act provided that the President of the Senate pro tempore and the Speaker of the House of Representatives should follow the Vice President in succession to the Presidency. But were the President of the Senate pro tempore and the Speaker officers of the United States within the meaning of the constitutional provision? Moreover—Madison was one of those who pointed this out—there was no requirement that, if one of these officials went to the White House, he give up his original duties and avoid a conflict between his executive and legislative functions. Again, the President of the Senate pro tempore did not hold over; the office was frequently vacant and so was the speakership. The great men in the Congress had overlooked the fact that a new Congress elected in November normally would not assemble for 13 months, leaving the House without a Speaker from March 3, when the "lame duck" session ended, until December. These defects have been largely cured by a change of senatorial practice allowing the President pro tempore to hold over and by the 20th amendment in 1933 abolishing the "lame duck" sessions of Congress. But there was another defect that was unanticipated. As the hopes of the framers of the Constitution were frustrated and powerful political parties emerged, it became possible that a President pro tempore or a Speaker would not be of the same political party as that of the President and Vice President. Is it democracy for the voters to win an election by a majority and then suffer defeat by an act of God?

THE CONTINUING PROBLEM

Over the years little attention was paid to these problems. Indeed, it is difficult to think of a really important matter with which Congress has dealt so nonchalantly. In 1820 the Senate Judiciary Committee reported unanimously that it was inexpedient to attempt to legislate further. In 1856 the Judiciary Committee opined that the act was constitutional, and went on to propose that if no President pro tempore or Speaker was available, the succession should go to the Chief Justice of the U.S. Supreme Court (providing he had not presided at an impeachment) and then to the Associate Justices in order of seniority. The Senate took no action on this silly report and then for 25 years there was no further interest in the matter.

On September 19, 1881, President James A. Garfield died and Chester A. Arthur succeeded him. If anything had then happened to President Arthur, the act of 1792 would have been worthless; there was no President pro tempore until October 10, and no Speaker until December 5. A comparable situation existed after Grover Cleveland's Vice President, Thomas A. Hendricks, died on November 25, 1885.

Congress was finally aroused from its lethargy and passed a new statute. The act of January 19, 1886, provided that, after the Vice President, succession to the Presidency should vest in the Secretary of State, the Secretary of the Treasury, and other members of the Cabinet. The act also declared that when the powers and duties of the office of President devolved upon any such person, Congress, if not in session, should be summoned by that person within 20 days. For 60 years this order of presidential succession was considered satisfactory and no serious effort was made to change it.

A principal reason for the silence was that, by and large, our Secretaries of State have been men of considerable stature. On more than one occasion since the days of Monroe and John Quincy Adams, the Secretary of State has been manifestly abler than the occupant of the Executive Mansion. Rarely, if ever, has he been less able than the Speaker. But when Franklin Roosevelt died and Harry S. Truman became President, the Secretary of State was Edward R. Stettinius, youthful, amiable, and able but not a man who in the Presidency would have drawn the confidence of the country. Immediately some public figures, notably James A. Farley, attacked the "undemocratic" power of the act of 1886 had given a Vice President who had become President: Mr. Truman could appoint a new Secretary of State and in effect name his own successor. It is not hard to think of occasions on which such a power could be used to great advantage.

On June 19, 1945, President Truman sent Congress a message urging a new Presidential Succession Act. He argued that the man next in succession after the Vice President should be someone who had been elected to some office, and he suggested "that the Speaker is the official in the Federal Government, whose selection, next to that of the President and Vice President, can be most accurately said to stem from the people themselves." Mr. Truman's reasoning was faulty; in order to acquire the seniority that is necessary to be elected, the Speaker must come from a safe district. Mr. Truman proposed that the President pro tempore of the Senate should be next in line of succession and be followed by the Cabinet officers. This was in part the act of 1792 in reverse.

Soon, however, Stettinius was out and James F. Byrnes became Secretary of State. He had been a Member of Congress, a Senator, a Justice of the Supreme Court, and head of the Office of War Mobilization, in which capacity he had been described as Franklin Roosevelt's "Assistant President." Interest in Mr. Truman's proposal sharply declined, but not before there had been a number of crackpot suggestions.

One such was that the electoral college be resummoned to elect a President and Vice President to serve out the remainder of the unexpired term. Another proposal was that the successor to the Vice President be chosen by the House of Representatives from a list of three Senators nominated by the Senate. One Congressman thought that the electorate should choose not only a first but a second and third Vice President of the United States. But the craziest idea of all was that the ranking officers of the Army, the Navy, and the Air Force (why the discrimination against the Marines?) should choose a civilian who would be an interim President who should act until "the State Governors, at a meeting called by him, shall select from their number by majority vote a President and a Vice President" to serve out the unexpired term.

With Mr. Byrnes as Secretary of State, Congress and the country had lost interest. But when, in 1946, the country returned a Republican Congress and Mr. Truman was challenged to stand by his proposal, he said that he was prepared to do so; that if he were to die or become incapacitated, he thought his successor could be a Republican. Joseph W. Martin was then the Speaker of the House and Arthur H. Vandenberg was President pro tempore of the Senate. These were men of stature; Sam Rayburn, who had been and who again would be the Speaker of the House, was of even greater stature. Congress and President Truman paid attention to personalities rather than to principle. Was the House to vote no confidence in

Joseph Martin or the Senate in Arthur Vandenberg? In his work on the Presidency, Prof. Edward S. Corwin says that Mr. Truman acted "sportingly." The adverb may be appropriate but Professor Corwin could also have written "unintelligently." This judgment is not challenged by the fact that the new statute made two minor improvements. It provided for a vacancy by reason of "failure to qualify" and it declared that whoever succeeds to "act as President" must resign the post by virtue of which he succeeded, and if it is the Speaker he must also resign "as Representative in Congress."

THE CASE FOR FLEXIBILITY

Under the Presidential Succession Act of July 18, 1947, what are the possibilities we now face? The Speaker of the House, elected in August, 1961, is John W. McCormack, who has represented a safe Massachusetts district since 1928. His biographical sketch in the Congressional Directory does not disclose his age but on December 21 he will be 72. Until his election as Speaker he was hardly known outside his district or outside the House of Representatives. Since he has been Speaker he has failed to impress the country and is relatively unknown in Europe.

The President pro tempore of the Senate is CARL HAYDEN, of Arizona, who is 86. He is able to preside over the Senate, but only for very short periods; if President Johnson's magnificent address before Congress had lasted a few minutes longer, his colleagues (and many television viewers) would not have been surprised if the Senator had dozed. It should be noted that it is possible that HAYDEN would not follow MCCORMACK, because the House, as soon as MCCORMACK became President, would immediately elect a new Speaker, who would then automatically become next in line for succession.

Meanwhile, until Congress acts, the situation is alarming. When matters are of the highest importance, reticence is out of place, and frankness is essential. It is not inconceivable, then, that Speaker MCCORMACK and Senator HAYDEN might guarantee themselves glowing mention in the history books by urging their fellow Representatives and Senators to undertake an immediate reexamination of the Presidential Succession Act, and by telling them not to delay because of reluctance to express a lack of confidence in two well-liked colleagues. I therefore call attention to some language in the act of March 1, 1792, which is still the law of the land:

"Resignation or refusal of office. The only evidence of a refusal to accept, or of a resignation of the office of President or Vice President, shall be an instrument in writing, declaring the same and subscribed by the person refusing to accept, or resigning, as the case may be, and delivered into the office of the Secretary of State." Our Second Congress—it included some of the Founding Fathers—did not think it out of the question that there might be occasions when selfless patriots could best serve their country by refusing to accept or resigning.

It is inconceivable that Congress be complacent about the present order of succession. Much time will elapse before adequate legislation can be drawn up to revise the present muddle. Meanwhile, if Speaker MCCORMACK and Senator HAYDEN are willing, might it not be a good temporary measure to return to the succession ordered in the act of 1886—the Secretary of State, the Secretary of the Treasury, etc.—which for 60 years was never seriously challenged? This, surely, would be a better choice than that offered by the present Presidential succession law.

[From the Washington (D.C.) Post, Dec. 10, 1963]

DEFECTIVE SUCCESSION LAW

The growing demand for a change in the law of Presidential succession has been buttressed by the disclosure of a grave weakness in the present statute. After digging into the historical background, Lucius Wilmerding, Jr., an eminent authority in this field, has concluded that the present succession law is unconstitutional.

The gist of Mr. Wilmerding's argument is this: The Constitution does not give Congress a clear slate on which to legislate in this sphere. Rather, it provides that in case of "removal, death, resignation or inability, both of the President and Vice President," Congress may declare by law "what officer shall then act as President." But in designating the Speaker of the House for this role in 1947, Congress provided that the Speaker would have to resign from Congress before he could perform any of the Presidential duties.

Upon his resignation the Speaker would obviously no longer be an officer of the United States. Consequently, says Mr. Wilmerding, he would not meet the requirement laid down by the Constitution—that the person functioning temporarily as President hold such an "office."

It is readily apparent why Congress wrote into the law a requirement that the Speaker resign before exercising the Presidential power. Article I, section 6 of the Constitution provides that "no person holding any office under the United States, shall be a Member of either House (of Congress) during his continuance in office." Certainly this must mean that no person can be Acting President and a Member of Congress at the same time.

In other words, it appears that Members of Congress cannot be constitutionally placed in the line of Presidential succession whether or not they are required to resign.

This is a matter of the utmost gravity. It seems to leave succession to the Presidency, when there is no Vice President, hanging by a precarious and uncertain thread. And confusion over who would exercise the Presidential powers in case of emergency is one of the gravest dangers to our national security as well as to the stability of our political system.

Repeal of the 1947 Succession Act thus appears to be one of the most important tasks confronting Congress. Even without weighing the constitutional defect in the law, Speaker MCCORMACK has indicated that he will raise no obstacle to its reconsideration, although he prefers the present arrangement. Congress might well consider this an invitation from the Speaker to restudy the problem. Fortunately, it can wipe out the present uncertainty and restore the Secretary of State to the head of the succession line by a simple concurrent resolution that would erase the act of 1947.

[From the Christian Science Monitor, Dec. 6, 1963]

AFTER THE VICE PRESIDENT

Senator KENNETH B. KEATING, of New York, has proposed that the Constitution be amended to provide for the election of two Vice Presidents to strengthen the line of succession to the Presidency.

It is not an idea that is apt to catch on, because the Vice Presidency is an awkward office to begin with, and multiplying it has little appeal.

But the need to strengthen the line of succession is a real one, and the Nation should be giving serious consideration to it. Now that Mr. Johnson has moved up to the Chief Executive's post there is no Vice President. The next in line are Speaker of the House JOHN W. MCCORMACK and Senator CARL HAYDEN, the President pro tem of the Senate, both of whom are too old to undertake the arduous duties of the Presidency. (The Speaker, who is the younger of the two, is already older than our oldest President was when he finished his term of office.)

The Speaker and the Senator could, of course, disqualify themselves by resigning and let the two Houses elect younger men. But that would be a cruel choice to impose on them and a disservice to Congress.

Moreover, there is a serious question as to the constitutionality of the 1948 Succession Act, which restored the Speaker and the President pro tem to the line of succession after a lapse of 62 years. The Constitution authorizes Congress to say what "officer" shall be in line to succeed after the Vice President. Are Members of the Congress "officers" within the meaning of the basic law?

Madison, who had more to do with writing the Constitution than anyone else, thought not and violently objected when the Speaker was included in the first Succession Act. He also called it a violation of the principle of separation of powers and of the convention's intent that the President should be a "continental character" without ties to a local constituency.

What then are the alternatives?

Unless we are prepared to hold special elections, which would disrupt what the Founding Fathers called the "synchrony" of Presidential and congressional terms, we must probably turn to the Cabinet, as we did from 1886 to 1948. Cabinet members are certainly officers of the Government, and they also have a "continental character," having more national distinction on the average than our Vice Presidents.

The flaw here is that Cabinet officers are not popularly elected. The 1948 law was enacted largely because President Truman felt it was undemocratic for him to appoint his own successor (his Secretary of State then being first in line of succession). But Cabinet officers do have to be confirmed by the Senate, and in this sense they are as much elected as the House Speaker or Senate President.

The difficulty could be gotten round if a new Succession Act, while placing the Cabinet members back in the direct line again, should also provide that upon the death of the President all Cabinet members should resign and resume their places only if reappointed and reconfirmed by the Senate.

Congress has a positive obligation to review the 1948 Succession Act now and make some new provision for the transfer of Presidential power. What happened at Dallas should remind them that the task is urgent.

THE DEATH OF PRESIDENT KENNEDY

Mr. DOUGLAS. Mr. President, one of the best editorials I have seen concerning the death of the late President John F. Kennedy was printed in the Tazewell County (Ill.) Reporter for Thursday, November 28, 1963. I ask unanimous consent that this editorial appear in the RECORD so that others may read it as well.

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

WHY? WHY?

Why? Why?

This mournful dirge will ring down the long corridors of eternity and still go begging for an exact answer.

Why? Why?

In that split second before the light was forever extinguished, this inscrutible question may have entered that magnificent tomb which was the brain of John Fitzgerald Kennedy.

Why by the stealth borne of cowardice did the assassin squeeze the trigger which launched the fatal bullet on its dreadful path? Why when confronted with insurmountable evidence of his guilt did he choose to deprive the country of the important but twisted logic behind the deed?

Little does it matter now that he paid the extreme penalty at the hands of another assassin. The question of his guilt and the certainty of his ultimate punishment by the society he betrayed were already sealed.

But lost forever is the imparting from his own lips the vital information of what factors are at work in our society which drive men to such lengths. For, though we seemingly stand on the heights and gaze down into the chasm of his iniquity, perhaps we too have the blood of the President upon our hands.

Though we kept the prayerful watch and draped the colors at half-mast, what will the morrow bring? Will we look the black man in the face and recoil? Will we say to the Jew, "You killed Christ"? Will we tell our neighbors around the world, "Get along as best you can, for the burden is too heavy for us"?

Will our legislators continue to belabor those hallowed halls with minuscule and divisive interpretations of how best to chart the course of a great nation on a perilous voyage? Or, will statesmen rise and grasp the torch so recently fallen on the blood-stained street at Dallas?

A just God grant they may. Then, truly, meaning will be given the fervent hope of John Fitzgerald Kennedy: "Let the word go forth from this time and place, to friend and foe alike, that the torch has been passed to a new generation of Americans."

And, what of the man himself? Is it finished with the placing of his mortal remains beneath the sod on a windswept slope in Arlington National Cemetery? There he will keep the vigil with thousands of others who died in the service of our country.

Those who note the flight and fall of the lofty eagle will, in mind's eye, visit this spot again and again. And, with the passage of time, the breadth and height and scope of the martyred man will emerge to be savored and reflected upon by those unashamedly in love with America.

For, despite the circumstances of wealth and position, he was a man who held out the hand of greatness to a nation too hesitant to grasp it and, at times, reluctant to make the sacrifices attendant upon it. By catchword and cleverly implanted doubt, we were often cautioned to suspect his motives.

It is ironic that perhaps the most moving summation of his life and creed are from another country. The Vancouver, B.C., Province said:

"He chose the glory road, the road chosen by those who have the look of eagles, the high and dangerous road that winds beside chasms and precipices that daunt lesser men."

Not in our time have we seen such an outpouring of grief at the passing of one man. The death of Franklin D. Roosevelt, who led us in the dark days of the depression and the difficult times of war, is the closest analogy. Though shocking and sad, his passing was from natural causes due to infirmities generally known.

But, here we have a man senselessly cut down in the vigor of manhood with great triumphs ahead; a man who leaves behind a grieving young widow and two children with the pap of infancy scarcely gone from their lips. He brought all the forces of a giant intellect to bear upon the awesome task he undertook with complete dedication to the ideal that he was President of all the people.

And how stands the Nation? We can all thank on bended knee the foresight of the founders of our great Republic who provided for the orderly transition of Executive authority. The mantle of leadership flows naturally from shoulder to shoulder, decade upon decade, without strife or civil insurrection and the Nation endures.

Just as the memory of those great forefathers endure and the intent of their handiwork becomes clearer with the ages, so will this Nation endure the winds of change and momentary calamities which buffet her. While we have seen, and will see, differing interpretations on the founding precepts handed us, we need have no fear so long as the core of their meaning is preserved.

With the course of our national purpose pointed aright and the minds of our leaders attuned to the hopes and aspirations of our people, we may take renewed dedication in those immortal words: "Government of the people, by the people, for the people shall not perish from the earth."

In epilogue, we have one more sacred obligation before us this day. We must not slight nor tranish the glory of that other martyr who died with the President that fateful November day.

J. D. Tippitt, who died by the same hand which slew the President, has earned a niche in the memory of his countrymen. He was killed while carrying out the highest tradition of our Nation's law enforcement agencies. He was the instrument serving as intermediary between the actual and the philosophical in a concept that this is a Nation of men and laws.

As thousands of military graves throughout the world testify, there can be no nobler death than that imposed by faithful performance of oaths taken. Officer Tippitt epitomizes to the highest his fallen Commander's admonition:

"Ask not what your country can do for you. Ask what you can do for your country."

So mote it be.

KREBIOZEN

Mr. DOUGLAS. Mr. President, on December 5, 1963, I made a lengthy speech in the Senate in which I published the report prepared for me by a team of medical doctors, physicists, and chemists showing that when the Food and Drug Administration claimed that the anticancer drug Krebiozen was the common amino acid called creatine that they were mistaken. There was an abundance of proof provided in that report.

I now ask unanimous consent that a number of editorials and articles from newspapers around the country commenting on this matter be printed in the RECORD at this time.

These include articles by Dr. George Crane, the noted medical writer; Mr. Jack Mabley, of Chicago's American; Mr. James A. Wechsler, of the New York Post; Mr. Roger Ebert, of the Champaign-Urbana (Ill.) News Gazette; Mr. Robert Gruenberg, of Chicago's American; editorial from the Denver Post, and an article by Mr. Oliver Starr, Jr., which appeared in the Gary, Ind., Post-Tribune.

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

FACTS ABOUT THE KREBIOZEN CANCER CONTROVERSY

(By Dr. George W. Crane, Ph. D., M.D., research scientist for 5 years for the National Research Council of America and the Carnegie Institution of Washington, D.C.)

Senator PAUL H. DOUGLAS, of Illinois, called me to Washington, D.C., on November 13 to view the startling exposé of the falsification by the Food and Drug Administration concerning Krebiozen.

The FDA had released on September 7 a glib report that Krebiozen is "nothing but creatine."

Astute Senator DOUGLAS (himself a famous Ph. D. scientist in former years at the University of Chicago) was dubious.

So he called to Washington several American scientists, for the FDA had arrogantly asserted that its analyses of Krebiozen were "scientifically unimpeachable."

Dr. Scott Anderson, an expert in spectrographic analysis at the home city of the University of Illinois, went over the FDA's spectrographs of creatine and Krebiozen before our very eyes in the office of Senator DOUGLAS.

Dr. Scott pointed out 29 differences in those two spectrographs, though the "unimpeachable" FDA had called them "identical."

Then Howard S. Clark, head of the Clark Microanalytical Laboratory (Urbana, Ill.), who had received aid from Prof. Roy Whistler, specialist in carbohydrate and polysaccharide chemistry at Purdue University, completely demolished the "unimpeachable" report of the FDA, as follows:

Krebiozen, light brown or tan color; creatine, white.

Krebiozen, galacturonic acid; creatine, none.

Krebiozen, glucosamine; creatine, none.

Krebiozen, galactose; creatine, none.

Krebiozen, glucose; creatine, none.

Krebiozen, arabinose; creatine, none.

Krebiozen, xylose; creatine, none.

Krebiozen, palmitic acid; creatine, none.

Krebiozen, oleic acid; creatine, none.

Krebiozen, palmitoleic acid; creatine, none.

Krebiozen, myristic acid; creatine, none.

Krebiozen, stearic acid; creatine, none.

Krebiozen, C–15; creatine, none.

Krebiozen, C–17; creatine, none.

Krebiozen, lauric acid; creatine, none.

Krebiozen, shorter chain acids; creatine, none.

Please observe that the FDA's claim that creatine and Krebiozen are the same substance, are thus disproved both by those 29 differences in their spectrographs, plus the many chemical differences above.

Senator DOUGLAS issued a scholarly report in which he thus described the confusion of the Food and Drug Administration as "bureaucratic schizophrenia."

Since the head of the FDA holds neither a Ph. D. in chemistry nor an M.D., he rushes in where scientists fear to tread, as was true a few years ago when he scared America re the cranberry farce; then weakly crawfished later by admitting we could have eaten a carload of cranberries with no significant medical ill effects.

More recently, he ignored the standard medical methods for evaluating cancer drugs by refusing to consider any of Dr. Ivy's 504 cases that showed arrest of tumor or 50 percent reduction.

Likewise, he discarded all cases that reported freedom from pain after use of Krebiozen, saying this was a subjective report.

But how does he think we medics test any pain-killing drug, except to use the patient's own subjective report?

We use subjective reports for all other pain-killing drugs.

The FDA's falsification of scientific facts was also duplicated back in 1951 in the famous "100 cases" that the AMA has kept parroting ever since.

Yet, of those 100 cases treated by Krebiozen, two were admitted to have benefited, but were blithely ascribed to "chance."

The other 98 were called "dead or dying" when the report appeared in our weekly issue of the Journal of the American Medical Association.

But 72 of those 98 were moribund when selected, for they didn't live long enough to obtain but four shots of Krebiozen.

And of the remaining 26 "dead or dying," Dr. Ivy has signed statements years later from over 20 that they were still alive and

apparently healthy, with nothing but Krebiozen shots to explain their good health.

On September 13 of this year (12 years later) I personally saw four of these "dead or dying" demonstrated by Dr. Ivy at the Hilton Hotel in Chicago. They were in good health and back on their jobs.

So Dr. Ivy has reproved the AMA for deliberately picking 72 cases not permissible for use in any normal experimental procedure, plus their use of over 20 "falsified" cases as per his affidavits.

Yet American physicians have been parroting for 12 years the "totally worthless" report of the AMA concerning that 1951 experiment re Krebiozen.

So why should the AMA and the FDA be so hostile to Dr. Ivy's demand that a fair clinical test be conducted?

What is the underlying terror that causes the FDA to falsify spectrographs and chemical reports to try to stop Krebiozen?

With 250,000 people dying this year of cancer, why shouldn't Krebiozen (used by 3,000 physicians on 5,000 patients) be given an unbiased test on cancer patients?

[From Chicago's American, Nov. 15, 1963]

MABLEY'S REPORT: DOUGLAS HITS KREBIOZEN FOES

(By Jack Mabley)

Senator PAUL DOUGLAS has made a devastating attack against the enemies of Krebiozen.

A document prepared by his staff accuses the Government's Food and Drug Administration of issuing "information and conclusions which are demonstrably false."

The major significance of DOUGLAS' action is this:

Unless the FDA can disprove charges, a congressional investigation of the agency would seem almost mandatory.

There is more reason than ever to press for a fair test for Krebiozen, the drug developed by Dr. Steven Durovic, and backed by Dr. Andrew Ivy.

All that Dr. Ivy ever has asked is a test of the drug which he believes is effective in combating some forms of cancer. This column has joined in urging such a test. Senator DOUGLAS has urged the test, and said in releasing his staff's report that this still is his major objective.

The document is a searing indictment of the FDA and the National Cancer Institute.

The report is signed by Howard E. Shuman, DOUGLAS' administrative assistant, and Miles H. Robinson, M.D.

It deals mainly with two Government findings. On September 7 the FDA called a press conference and announced without qualification that Krebiozen is a common substance known as creatine, and is useless in combating cancer.

DOUGLAS' staff offers greatly detailed evidence that Krebiozen is not creatine. It is extremely persuasive to a layman, which I am. But more important, it can easily be resolved by disinterested scientists, if such can be found.

Second, DOUGLAS' staff disputes the findings of a committee gathered by the National Cancer Institute which "analyzed" 504 cancer cases treated with Krebiozen, and again announced the drug was useless.

One of the minor points made by Senator DOUGLAS is that the NCI report was made weeks after the FDA announced that Krebiozen really was creatine. So the men making the analysis of the cases were put in the position that if they did acknowledge benefit by the drug, in effect they were saying creatine was an effective against cancer. Obviously they could not do this.

Dr. Ivy continues to be mystified at the fantastic lengths to which the forces in control of organized medicine will go to avoid a test for Krebiozen.

A test would cost around $50,000 and settle the matter once and for all. Dr. Ivy estimates the FDA has spent $1,250,000 in the massive effort to gather evidence to discredit the drug and avoid a test.

I share his bafflement. Even the worst detractors of Krebiozen admit it is not toxic, and nothing could be lost by treating terminal cancer patients with the drug in a test.

Senator DOUGLAS' staff points out that in evaluating the Krebiozen cases, the secret committee refused to see Dr. Ivy. They refused to see a single patient or a single doctor who had used the drug.

This column has been outspoken in its urging that Krebiozen be given a test. Never have we said it is a cancer cure. But repeatedly we have said the evidence that it is effective against some forms of cancer is impressive, and if there is only 1 chance in 100 that it is effective, it is unthinkable that it not be tested.

After seeing Senator DOUGLAS' documents, I revise my estimate. The chances are far greater than 1 in 100.

There has been talk by Dr. Ivy's and Dr. Durovic's enemies that they be tried for fraud in Federal court. Dr. Ivy would be overjoyed at such a chance to answer the charges, and place his case before an impartial jury, and finally come face to face with the men who will not give him a hearing.

The Denver Post has joined the tiny group of journalistic voices calling for a clinical test of the drug. In an editorial October 23 the Post quoted Alexander Fleming, discoverer of penicillin:

"Penicillin sat on the shelf for 12 years while I was called a quack. I can only think of the thousands who died needlessly because my peers would not use my discovery."

The editorial pleads that man should never make such a tragic mistake again.

[From the New York Post, Sept. 25, 1963]

ON KREBIOZEN

(By James A. Wechsler)

The Krebiozen battle isn't over. In fact the most dramatic episodes in this long, elusive controversy may be approaching. Before it ends, President Kennedy himself may have to enter the dispute.

About a fortnight ago, when the Food and Drug Administration issued a derogatory report suggesting that Krebiozen was a fraud, the announcement was greeted as the last word.

But it wasn't. For one thing, too many people who believe their death sentences were commuted by Krebiozen after all orthodox procedures had failed are unlikely to be shaken by any Government analysis of the content of the drug. Even if it were shown to be branch water, they would contend that what this country, and especially its cancer victims, need is more of the stuff.

In countless letters I have received from such people and their relatives during the last decade, that point has been repeatedly made.

The FDA's assertion that Krebiozen was nothing more than the common body substance creatine was presumably designed to proclaim that all the imagined beneficiaries of Krebiozen had been deluded. The implication was that they were cases of "remission" who squandered their money on Krebiozen.

The disclosure sounded devastating. But, as Barbara Yuncker, who has diligently and objectively covered this controversy for many years, reported in the Post yesterday, serious questions have been raised about the validity of the FDA verdict. Dr. Miles Robinson, a respected medical maverick, has submitted a critical study of the FDA report to Senator PAUL DOUGLAS, a longtime leader in the fight for a fair evaluation of Krebiozen. There is reason to believe that his study will receive attention on the highest Government levels.

Beyond that remains the still-awaited report of the National Cancer Institute on the case histories of 504 patients who have been treated by Krebiozen. It has been rumored that this report will also be adverse to the Krebiozen sponsors. What is far from clear is whether the nature of its findings will satisfy Senator DOUGLAS, Dr. Robinson and others who have been frankly critical of the approach of the medical establishment to Krebiozen.

I write about this matter reluctantly because I lack any scientific credentials. What brings me to the subject is my uneasiness about the frenzy with which the anti-Krebiozen crusade has been pursued and the tones of satisfaction in which negative judgment is being pronounced. If Krebiozen is a delusion, the news should be treated as a large human disaster.

Instead one has detected a certain cold jubilation among the pillars of the AMA and some of their Government brethren, as if the discrediting of the Krebiozen advocates were a great day for mankind, a vindication of medical stodginess and a rebuke to any infidels who defy the ukases of the AMA house.

The lines are not simply drawn. Consumer Reports, the respected organ of Consumers Union, has published a lengthy critique of the conduct of Dr. Steven Durovic during his long battle, blaming him for the curtain of secrecy which so long prevented independent analysis of his product. Yet even CU's study, as Miss Yuncker has shown in a thoughtful comment she has transmitted to the magazine, was inaccurate and incomplete on certain key points. And she writes not as a Durovic partisan, because she believes he is justly subject to much criticism for, at the very least, eccentric behavior, but as a reporter who has tried to get to the bottom of this story—and found herself increasingly distrustful of both Dr. Durovic and his critics.

The plain truth is that too many people have acquired a vested interest in vindicating past positions. As far back as 1951, the AMA hastily and prematurely condemned Kreboizen; how would the AMA's elders look if that verdict were now exploded? By the same token it can be said that Dr. Andrew Ivy, a man of large distinction who early became Durovic's advocate, has a big stake in vindicating the drug.

Obviously I do not believe that even the dreariest AMA dignitary would deliberately suppress a cancer cure; after all, he might need the stuff himself one day. But neither do I believe that Dr. Ivy would consciously remain the merchant of fraud.

In medicine, as in politics, however, men seem capable of losing their detachment, and seek to justify old judgments rather than dedicate themselves to truth. There are impurities in the purest of science.

What is disconcerting is the apparent tendency of some FDA officials to display the same partisan spirit.

Whether the impending National Cancer Institute report will be subject to fimiliar criticism remains to be seen. If it is, there will surely be ground for appointment of a Presidential Board of Inquiry.

Dr. Durovic may be a dismal character, but, for all I know, Galileo may have been a hopeless neurotic. Many of the biggest breakthroughs have been accomplished by

odd fellows who could not accept the obvious evidence that the world was flat. The only question that matters is whether Krebiozen has worked, whatever its substance. On that point we are entitled to a judgment that no responsible medico or scientist can seriously challenge.

[From the News-Gazette, Champaign-Urbana, Ill., Dec. 8, 1963]

BIZARRE KREBIOZEN CONTROVERSY IS STILL VERY MUCH ALIVE AND BITTER

(By Roger Ebert)

Early on the morning of September 3, Chicago police found a woman hiding in a linen closet on the seventh floor of a Loop office building.

In her purse were tools she had used to break into one of the offices, and 12 tiny vials of a drug she had stolen.

The drug was Krebiozen.

The women, a 35-year-old cancer victim turned to crime for the first time in her life to obtain the drug. She told police her doctors had prescribed Krebiozen, but later discontinued the treatment because of controversy over its value.

Without the drug, she said, pain was so great that she lost her job as a clerk. In desperation, she decided to steal Krebiozen.

The women was charged with disorderly conduct after Dr. Steven Durovic, the discoverer of Krebiozen, did not press charges. Her arrest made still another entry in the bizarre record of a drug which has been described as the medical find—or fraud—of the century.

Nearly 13 years have passed since Durovic, a Yugoslavian scientist, walked into the offices of Dr. Andrew C. Ivy, of the University of Illinois, and announced that he had found a drug effective against cancer.

During those years, more than 3,000 doctors have given Krebiozen to more than 4,000 cancer patients. Yet, Krebiozen has never been the subject of a standard series of tests by a Federal agency. Volumes of testimony and a shelf of books have been written to solve the Krebiozen controversy. Yet it remains alive and bitter.

In recent years, the chief public supporter of Krebiozen's claims to an impartial Government investigation has been Senator PAUL H. DOUGLAS, Democrat, of Illinois. On July 18, DOUGLAS led a group of 16 Senators in introducing a Senate resolution which directed the National Cancer Institute to undertake such a test.

But on September 7, the U.S. Food and Drug Administration dropped a scientific bombshell that seemed to make such a test unnecessary.

In a Washington press conference, the FDA said its investigators had examined a sample of Krebiozen and identified it as creatine, an inexpensive chemical with no power against cancer.

As part of its unmasking process, the FDA supplied Life magazine with spectrographic "fingerprints" which traced the chemical compositions of creatine and Krebiozen on a chart. The two appeared to be nearly the same, with small irregularities which the FDA said were caused by impurities in the sample.

In a swift series of moves after this presentation, the Krebiozen Foundation was barred from sending the drug across Illinois State lines, and Federal officials announced plans to bring criminal charges against Durovic and Ivy.

On October 17, the National Cancer Institute denied the request by DOUGLAS and 15 other Senators that Krebiozen be given a test. The Institute denounced Krebiozen as a fraud, and said it had examined 504 typical cases of treatment with Krebiozen without becoming convinced that an investigation was necessary.

On October 25 and 26, the FDA and the American Medical Association held joint press conferences at which Krebiozen was branded as a hoax and an illustration of quackery.

The day after the FDA's first report, Dr. Ivy had charged in Chicago that Krebiozen had been made the victim of a smear to avoid the performance of a clinical test. Ivy said Krebiozen and creatine were not the same substance, and cited differences in melting points and solubility in mineral oil.

But the forces supporting Krebiozen were in a state of confusion and dismay. Senator DOUGLAS admitted:

"When the Food and Drug Administration and the Cancer Institute published their denunciations of Krebiozen, I was, I admit, somewhat shaken. Could it be that Krebiozen was a hoax after all and completely unworthy of a test?"

DOUGLAS decided to seek an independent scientific and medical analysis of the same data which had led the FDA to believe that Krebiozen and creatine were the same. He asked Dr. Miles Robinson of Potomac, Md., to act as chairman of a committee to appraise the Government findings. Robinson, formerly an educator in the Vanderbilt and Pennsylvania medical schools, is now in private practice and agreed to act without pay. DOUGLAS assigned his administrative assistant, Howard E. Shuman, to work with Dr. Robinson in the investigation. Shuman is a graduate of the University of Illinois, holds advanced degrees from the University of Michigan and Oxford University, England, and was an asistant professor of economics at the University of Illinois before joining DOUGLAS' staff in 1955.

Robinson and Shuman discovered that two Champaign-Urbana scientists had been conducting tests of Krebiozen for several years. They are Dr. Scott Anderson, director of the Anderson Physical Laboratory; and Howard Clark, director of the Clark Microanalytical Laboratory.

Working on the basis of findings by Anderson and Clark, the Robinson-Shuman team compiled evidence which, DOUGLAS says, "shows that the Food and Drug Administration has been grievously biased and that the claimed identity between Krebiozen and creatine is definitely mistaken."

The charge by DOUGLAS is contained in an inch-thick sheaf of reports, charts, and other findings which he placed in the CONGRESSIONAL RECORD on Thursday.

The Douglas report, heavy technical reading for a layman, presents charges against the FDA which, if true, would reopen the Krebiozen case soon after Federal officials thought it had been closed for once and all.

In the report, Dr. Anderson cites a series of studies of Krebiozen's infrared spectra which were made in his laboratory over the past 10 years, using about two dozen samples of the drug. He compares his studies with those of the Government scientists and concludes:

"It would appear that most samples consist of at least two components—creatine plus some substance (or substances, since relative concentrations seem to vary)."

Dr. Anderson also writes: "An inspection of the 'Life' photograph of the two spectra (Krebiozen and creatine) reveals that it was made by laying the two spectra juxtaposed on a viewing table illuminated from below. The two spectra are displaced vertically relative to one another."

Reproductions of the two spectra, according to DOUGLAS' report, indicate that when Krebiozen and creatine charts are laid squarely on top of one another, significant differences become obvious and it grows apparent that the spectra are not identical, as the FDA claimed.

DOUGLAS charges:

"To get the effect (in the Life photograph of the spectra) the Food and Drug Administration did not squarely overlay one graph on the other * * * but deliberately dropped down the creatine graph about 7½ percentage points below the Krebiozen graph so that at the particular area of most obvious difference * * * the creatine and Krebiozen lines would coincide and this difference would be obliterated."

The report also cites chemical analysis by Clark which indicated significant differences in the two compounds. Reviewing these, DOUGLAS sums up by asserting:

"The so-called identical fingerprints are not identical but there are significant differences throughout at least half of the spectrum.

"Chemical analysis (by Dr. Clark) demonstrates that Krebiozen is not creatine.

"The difference in color demonstrates that Krebiozen is not creatine. Creatine is pure white or colorless to the naked eye. It does not fluoresce under ultraviolet light. But Krebiozen is light tan to the naked eye and fluoresces under ultraviolet light.

"Krebiozen contains at least six sugars and nine acids not in creatine."

Repeating that he does not claim that Krebiozen is a cancer cure, DOUGLAS says the report compiled for him provides evidence to make a Government investigation of Krebiozen necessary.

Specifically, he calls for an inquiry by a subcommittee of the Senate Committee on Government Operations into the "nature and accuracy" of the FDA and Cancer Institute statements. He asks that independent scientific investigation of Krebiozen be made to determine whether it is identical to creatine, as the FDA claims. And he calls for an impartial medical test of Krebiozen.

The Douglas report has been discounted by some opponents of Krebiozen on the grounds that the Senator, long identified with the mystery drug, was simply unwilling to accept the FDA findings.

But publication of the studies, coupled with evidence that the FDA photograph in "Life" apparently was inaccurate, may lead others to the conclusion that Krebiozen, even if worthless as a cancer cure, was not properly identified as creatine.

If this is the case, the 13-year-old search for the key to Krebiozen's puzzle will begin again. The Anderson and Clark findings, and the Douglas report, appear to reopen a question that the FDA felt was closed. The next move appears to be up to the Food and Drug Administration.

[From Chicago's American, Nov. 15, 1963]

DOUGLAS EXPERTS RIP FDA FINDINGS—KREBIOZEN REPORT CALLED FALSE—UNITED STATES DISTORTED ITS OWN FACTS, SENATOR TOLD

(By Robert Gruenberg)

WASHINGTON.—New information casting doubt on the widely publicized Government condemnation of Krebiozen has been submitted to Senator DOUGLAS, Democrat, of Illinois.

It could—if verified and given serious study by the Food and Drug Administration—open up the entire question to review once more.

The FDA has stamped Krebiozen, a controversial cancer drug, as worthless. Last week the agency started formal steps leading to criminal prosecution of its sponsors, Dr. Andrew C. Ivy and Dr. Steven Durovic.

EXPERTS MAKE STUDY

A 49-page study, prepared by DOUGLAS' staff and a small group of medical and technical experts, said that the FDA's finding that Krebiozen actually is creatine, a common body substance, is "demonstrably false."

They reached their conclusion "not only on the basis of new or additional evidence, but on the basis of the evidence produced by the FDA itself," they said.

The study strongly indicates that the FDA distorted the facts of its own investigators in condemning Krebiozen, that some of its scientists "misstated the facts," while in some cases they "ignored the clues which were present in their work" and would have influenced the FDA's ultimate ruling on Krebiozen.

IGNORED THE CLUES

"The administrative bureaucrats ignored the clues entirely," the report states at one point. It adds:

"They caused to be issued to the public under the authority of their department and the Government of the United States information and conclusions which are demonstrably false and for which they must bear the public responsibility."

DOUGLAS, reviewing the study, emphasized that he did not advocate Krebiozen as a cancer cure or even as a cancer-fighting agent.

CALLS FOR FAIR TEST

He is, he said, interested in seeing that Krebiozen is given a fair test. He has maintained this position during the entire controversy, he says.

However, the Department of Health, Education and Welfare, backed by the FDA and the National Cancer Institute, refuses to test Krebiozen, relying on their identification of it as creatine.

Creatine is a relatively common body substance which is plentifully available from meat in the ordinary diet, says HEW.

LIST POINTS IN DISPUTE

However, the staff members report submitted to DOUGLAS disputes this conclusion that creatine is Krebiozen, and makes these points in support:

1. The two "fingerprint" identifications—FDA spectrographs showing creatine and Krebiozen to be identical—actually showed "significant differences" and were not identical "fingerprints" at all.

2. Chemical analysis—including a 1962 analysis made by the FDA—showed Krebiozen and creatine to be different.

3. Difference in color showed that Krebiozen, which has a yellow-brown appearance, is different from creatine and creatine-related substances, such as creatine-hydrate and creatinine. The latter two, like creatine, are "pure white or colorless," the report stated.

4. There are "at least six sugars and nine acids" in Krebiozen which are not found in creatine. "This has been verified many times and by independent analyses," the report stated.

5. Many indications that Krebiozen might not be creatine were "totally ignored" by the FDA scientists.

HARSH STANDARDS ALLEGED

The report charged that the FDA set up harsher standards to judge Krebiozen than the agency applies to other drugs.

"They were standards which * * * had seldom been applied to any of the 24,000 or so other substances tested routinely, or the 100 or so substances tested on humans per year," it stated.

The report was given DOUGLAS by his chief aid, Howard Shuman, and Dr. Miles H. Robinson, Potomac, Md. Robinson is a pharmacologist, a former University of Pennsylvania instructor, and a close observer of the Krebiozen battle.

PHYSICIST'S TEST RESULTS

Evidence on the spectrograph results was submitted by Dr. Scott Anderson, of Urbana, Ill., physicist and former professor at Carleton College and Carnegie Tech, and Howard Clark of Urbana, a microanalytic chemist.

Both men freely acknowledged in interviews with reporters that they had performed research work for Dr. Ivy and Dr. Durovic, although, they said, on a small scale.

DON'T CLAIM A CURE

They have been unknown to the public in the Krebiozen controversy until now. Dr. Anderson said he decided to get into it, as did Dr. Clark, because he did not feel that Krebiozen founders and backers were receiving fair treatment.

Both men, as did Dr. Robinson, insisted, however, that they are not advocating Krebiozen as a "cancer cure." Like DOUGLAS, they said they seek only a clinical test of its value.

The study was undertaken at the request of DOUGLAS. He has had a leading role in marshaling other Senators to press for a Government test of Krebiozen and has been concerned since the FDA condemnation of the drug on September 7 and October 16.

DOUGLAS asked Shuman to analyze the FDA reports adding only one directive: Find out the truth, even if it goes against Durovic and Ivy. The latter has been a friend of DOUGLAS for 40 years.

DETAILS OF EVIDENCE

In the tables, charts, and explanatory material, the study elaborated on the following points:

1. The spectographic "fingerprints."

Differences were first noted by Anderson and Clark upon publication of the spectrographs in a national magazine October 4. Subsequently, reproductions of the spectrographs used by the FDA in the identification of creatine and Krebiozen were used by the Urbana scientists in their study.

These showed, they said, that the peaks and the valleys of the spectrum line varied between the two spectrographs in 8 to 10 areas which could be spotted visually. There were also 29 points of difference which were plotted by mechanical means, they said.

DIFFERENCES ARE GREAT

"These differences are not technical and are much greater than would be due merely to tolerances or reasonable margins of error," the report stated.

The differences appeared to be small to reporters, who were shown reproductions of the spectrograph by Anderson and Clark.

But, they emphasized, "differences of this magnitude are of the utmost significance chemically, scientifically, and especially biologically.

The report also cited scientific authorities to deny the FDA "fingerprint" explanation that no two compounds have the same print. "Spectrographic 'fingerprints' by no means meet this standard," it said.

MANY CHEMICAL STUDIES

2. The chemical analysis.

Clark said he performed "repeated chemical studies on Krebiozen over a 10-year period," and with Anderson conducted other studies.

These have showed that Krebiozen is not creatine, they stated.

Key points in their findings were backed by an independent study, they added, conducted by the Shuman Chemical Laboratories, Inc., of Battle Ground, Ind.

"This laboratory worked closely with Prof. Roy Whistler of Purdue University, a specialist in carbohydrates and polysaccharides," the report stated.

KREBIOZEN BROWN OR TAN

3. Color differences.

While creatine is pure white, or colorless, Krebiozen has a light brown or tan, the report pointed out.

FDA scientists themselves said the study described the Krebiozen colors as beige, beige with an orange tint, light tan, brownish white with a shade of pink, and pale buff.

4. Sugars and acids.

Clark said that he and the Shuman laboratory had "verified many times" the six sugars and nine acids which are in Krebiozen but fail to show in creatine.

[From the Denver (Colo.) Post, Oct. 23, 1963]

TESTS NEEDED TO END KREBIOZEN FIGHT

A committee of 24 physicians assembled by the National Cancer Institute, after reviewing 504 case histories of Krebiozen-treated patients, has concluded that a clinical test of the drug is not justified.

But the committee's conclusion that the drug is worthless in the treatment of cancer will not end the amazing Krebiozen dispute.

For more than 12 years, opponents and backers of Krebiozen have engaged in a bitter tug-of-war. Scientifically, neither side has gained an inch.

Opponents of the drug have charged quackery and fraud. Backers have charged conspiracy and persecution.

Opponents have shown "conclusively" first that Krebiozen doesn't exist, then that it exists but it is merely mineral oil, and now that it is really creatine, a common amino acid derivative found in large quantities in the human body and ineffective against cancer.

Backers have shown "conclusively" that Krebiozen causes regression of certain types of tumors and eases pain in many cases of terminal cancer.

In truth, neither side has shown a thing.

Dr. Stevan Durovic, discover of Krebiozen, and Dr. Andrew C. Ivy, chief scientific sponsor of the drug, are not likely to let up now. Neither are the dozens of doctors who say they have used it, and that it works.

And neither, judging from the intensity of feeling shown to date, are the 400 cancer victims in the United States who believe they need Krebiozen to stay alive—or the relatives of many cancer victims who have been given the drug in the late stages of the disease.

The American Medical Association, on the other hand, will surely continue opposing the efforts of the drug's backers. Along with the influential AMA will be most of the medical profession.

But who is right? Ordinarily, we would be inclined to accept the edict of the AMA without question on a medical issue. And yet, it seems to us that enough evidence has been presented in the past 12 years at least to justify a clinical test of Krebiozen.

The physicians who back the drug are not quacks. They are scientists who believe the drug Krebiozen is effective in the treatment of cancer and warrants further investigation. They have never made fantastic claims.

Perhaps they are wrong. But if there is just once chance in a million that Krebiozen is the beginning to a solution to the dreadful cancer problem, it should be given the fairest and fullest possible test.

Even if the tests showed that use of the drug results only in relief of pain without the toxic effects of narcotics, the finding would be worthwhile.

Even though the AMA leaders are opposed to a National Cancer Institute test for Krebiozen, we have been told by individual physicians and researchers that at least the scientific theory behind the drug is sound and that they think it should be tested.

The Food and Drug Administration banned interstate shipment of Krebiozen on July 12. Thereafter, many patients who had been using it moved to Illinois where it is manufactured.

Emphatically, we wish to make the point that we do not, and cannot, pass judgment on the effectiveness of the drug. We do, however, suggest that the reading and interviewing we have done indicate that there is enough here to warrant Krebiozen being given a fair clinical test.

We cannot laugh off the conviction of hundreds of cancer victims who believe it is sustaining them.

And a reading of history indicates that it is foolish to cast aside any drug that shows even an inkling of promise against a disease that strikes one in every four Americans.

Alexander Fleming, discoverer of penicillin, once said: "Penicillin sat on the shelf for 12 years while I was called a quack. I can only think of the thousands who died needlessly because my peers would not use my discovery."

Man should never make such a tragic mistake again.

[From the Gary (Ind.) Post-Tribune, Nov. 13, 1963]

STARR GAZING

(By Oliver Starr, Jr.)

Krebiozen is far from dead. The recent condemning of it by the Food and Drug Administration after an adverse report by 24 physicians assembled by the National Cancer Institute to review case histories of 504 Krebiozen-treated patients was supposed to have killed it.

But instead of dying, Krebiozen has picked up powerful new voices across the country asking that its backers, led by Dr. Andrew C. Ivy, of Chicago, be granted the clinical test they have been seeking for 13 years.

In just the past week two Indiana Representatives, RICHARD L. ROUDEBUSH, Republican, of Noblesville, and WILLIAM G. BRAY, Republican, of Martinsville, have joined 41 other U.S. Representatives and Senators in sponsoring Senate Joint Resolution 101 originally introduced by Senator PAUL H. DOUGLAS, of Illinois.

Senate Joint Resolution 101 asks that the National Institutes of Health be directed to undertake a "fair, impartial, and controlled test of Krebiozen" and that $250,000 be appropriated for the test.

Why didn't the FDA report end the controversy?

As the Denver Post pointed out editorially after the FDA report, neither Dr. Ivy and the dozens of doctors who have used it and say that it works, nor the more than 400 cancer victims in the United States who say they need Krebiozen to stay alive are likely to let up now. Without the controlled clinical test, neither side in the controversy can actually have any scientific validity to their claims. Their "evidence" is all subjective—not objective.

Nationally syndicated health columnist Dr. George W. Crane has come out strongly since the FDA report in support of Dr. Ivy, challenging the validity of a spectrographic test made by FDA in which it asserted that Krebiozen was creatine. He maintains that it couldn't be creatine because that substance does not dissolve in mineral oil, the solvent in which Krebiozen is used. He charged the FDA with distortion of data and intimidation in the case.

Krebiozen also touched off a David and Goliath battle between the American Medical Association and the National Health Federation as both met in Washington, D.C. The NHF passed a resolution asserting that it would not consider the Krebiozen controversy settled until it was resolved through a clinical test. It also promised to exert its influence until a clinical test was approved.

Dr. Edward Annis, president of the AMA, aiming a broadside at the NHF and Dr. Ivy called Krebiozen "one of the greatest frauds of the 20th century." This brought a prompt reply from Dr. Ivy, denying that it is a fraud and challenging Annis to a public debate on the drug. Annis declined. Dr. Ivy says that Annis previously had agreed to an August 26 debate in Miami but did not show up at the appointed time.

In Illinois, a Krebiozen study committee set up at the request of the Illinois Medical Society recently recommended that "appropriate steps be taken immediately" to stop the distribution of Krebiozen in Illinois, basing its finding mainly on the same report made by the 24 cancer experts brought together by the National Cancer Institute.

Illinois Attorney General William G. Clark, however, has refused to ban the sale of Krebiozen in the State until he receives the names and addresses of medical experts who were called upon in the study, and their qualifications as experts. He also said he must have the names, addresses and qualifications of other medical experts "who are willing to testify that Krebiozen is not an effective anticancer agent."

Reached at his Chicago office at Roosevelt University, Dr. Ivy said that the cutting off of interstate shipment of Krebiozen to patients who had been receiving it already has resulted in seven deaths to persons in which cancer symptoms had been kept under control until the drug was cut off.

He charged that FDA inspectors have harassed a Long Beach, Calif., mother who had been giving her young son Krebiozen until she wrote to Dr. Ivy that "they've made me feel like a criminal because I'm trying to keep my boy alive." Dr. Ivy said that he is still just as resolved as he was when the Krebiozen controversy began to press for a clinical test for the drug. He said, however, that the FDA had been using unfair tactics to attack him, as well as Krebiozen.

PUBLIC LAW 88-204 THE ACADEMIC FACILITIES CONSTRUCTION ACT

Mr. MORSE. Mr. President, I have received copies of informational materials relating to the Higher Education Construction Act, now Public Law 88-204, which I feel will be of great assistance to Senators in answering the many questions which the enactment of this landmark legislation will bring to their offices. I, therefore, ask unanimous consent that copies of correspondence addressed by the Secretary of Health, Education, and Welfare to the Governors of the States, and addressed by the Commissioner of Education to the chief State school officers of the States, together with supporting enclosures and statistical data be printed at this point in my remarks. I commend the office on moving so promptly in this important area, to acquaint the States with the procedures under the act necessary to begin without delay the operation of the program.

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

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., December 16, 1963.

DEAR GOVERNOR ———: President Johnson, when he signed the Higher Education Facilities Act of 1963, stressed the urgent need to help our colleges and universities to nearly double their physical capacity in this decade. He also asked me to communicate with you about the principal steps required by you and the Office of Education to get the new program underway as soon as funds are available. A copy of the President's statement on this significant national commitment to increase academic facilities is enclosed.

Presidents of institutions of higher education and the chief State school officer in your State will receive similar information from the Commissioner of Education.

Title I of the act authorizes grants to pay part of the cost of construction of certain types of academic facilities for publicly controlled and privately controlled institutions of higher education. Twenty-two percent of the funds under title I are reserved for the construction of facilities in public community colleges and public technical institutes. Title II authorizes grants to pay part of the cost of the construction of facilities for graduate schools and cooperative graduate centers. Title III authorizes loans for the construction of academic facilities.

The law authorizes $230 million for title I for the year ending June 30, 1964, and for the 2 succeeding years. The attached table shows the State breakdown of this authorization.

An important purpose of this letter is to bring to your attention section 105(a) of the act which concerns the designation or establishment of a "State commission." This section provides that a State desiring to participate in the grant program under title I shall designate an existing State agency which is broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner of Education, Mr. Francis Keppel, through such agency, a State plan. States intending to participate in the program under title I should notify the Commissioner of Education as to the State agency which has been designated or established as the "State commission." Such notification should also be accompanied by (1) your certification that the members of such commission are, in accordance with section 105 (a), broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in the State, and (2) a certification, including citation of State law, by the appropriate State legal officer, that such "State commission" is authorized under State law to formulate, submit and administer a State plan under title I.

In addition, under section 105(b) the Office of Education is authorized, subject to the availability of funds, to expend such amounts (not to exceed a total of $3 million for all States during each of the first 2 fiscal years) as may be necessary for the proper and efficient administration of State plans approved under title I of the act, including expenses which were necessary for the preparation of such plans.

I can assure you that the Commissioner of Education will welcome your observations and suggestions about the administration of this program.

Sincerely,

———,
Secretary.

Identical letters sent to the Governors of the 50 States, District of Columbia, Virgin Islands, Guam, Puerto Rico, and American Somoa.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., December 16, 1963.

Identical letter sent to all chief State school officers.

DEAR ———: President Johnson, when he signed the Higher Education Facilities Act of 1963, stressed the urgent need to help *higher* education to nearly double its physical capacity in this decade. He also asked the Secretary of Health, Education, and Welfare through me to communicate with you about the principal steps required by the States and the Office of Education to get the new program underway as soon as funds are available. A copy of the President's statement on this significant national commitment to increase academic facilities is enclosed.

The Governor of your State has been advised by the Secretary of this action and asked to designate or establish a State commission as provided for in section 105 of the act.

Title I authorizes grants to pay part of the cost of construction of certain types of academic facilities for publicly controlled and privately controlled institutions of higher education. Twenty-two percent of the funds under title I are reserved for the construction of facilities in public community colleges and public technical institutes. Title II authorizes grants to pay part of the costs of the construction of facilities for graduate schools and cooperative graduate centers. Title III authorizes loans for the construction of academic facilities.

The law authorizes $230 million for title I for the year ending June 30, 1964, and for the two succeeding years. The enclosed table shows the State breakdown of this authorization.

An important purpose of this letter is to bring to your attention sections 105, 106, 107, and 108, which set forth the act's provisions for the State commissions and plans, eligibility for grants, assignment of priorities, institutional application, and conditions for approval of projects.

Your observations and suggestions about the administration of the program will be most welcome.

Sincerely yours,

———— ————,
U.S. Commissioner of Education.

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., December 16, 1963.

Memorandum to college and university presidents.

From Francis Keppel, U.S. Commissioner of Education.

President Johnson, when he signed the Higher Education Facilities Act of 1963, stressed the urgent need to help higher education to nearly double its physical capacity in this decade. He also asked the Secretary of Health, Education, and Welfare through me to communicate with you about the principal steps required by you and the Office of Education to get the new program underway as soon as funds are available. A copy of the Presidents' statement on this significant national commitment to increase academic facilities is enclosed.

The Governor of your State has been advised by the Secretary of this action and asked to designate or establish a State Commission as provided for in section 105 of the act.

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An important purpose of this letter is to bring to your attention sections 105, 106, 107 and 108, which set forth the act's provisions for the State commissions and plans, eligibility for grants, assignment of priorities, institutional application, and conditions for approval of projects.

Your observations and suggestions about the program will be most welcome.

REMARKS OF THE PRESIDENT UPON SIGNING H.R. 6143, THE HIGHER EDUCATION FACILITIES ACT OF 1963, IN THE CABINET ROOM

I am proud and happy to approve at this time the Morse-Green bill, the Higher Education Facilities Act of 1963, and to especially compliment Chairman POWELL, Congresswoman GREEN, and their colleagues in the House, Senator MORSE and his colleagues in the Senate, and everyone else who worked so hard for the passage of this very important legislation.

A great former President of the Republic of my State said "The educated man is the guardian genius of democracy. It is the only dictator that freemen recognize and the only ruler that freemen desire." So this new law is the most significant education bill passed by the Congress in the history of the Republic. In fact, this session of the Congress will go down in history as the education Congress of 1963, and every person here this morning who has been invited to come to the White House at the request of the President can be very proud, and their children can be very proud, of the part they played in the enactment of this legislation.

Working together, the Congress and the executive branch have made possible the enactment of a series of legislative landmarks in the field of education. Under these various measures:

1. We will help to provide college classrooms for several hundred thousand more students who will nearly double college enrollment in this decade.

2. We will help to build 25 to 30 new public community colleges every year.

3. We will help to construct the technical institutes that are needed to close the gap in this crucial area of trained manpower.

4. We will help to build graduate schools and facilities in at least 10 to 20 major academic centers.

5. We will help to improve the quality of library facilities in our own universities and colleges.

6. We will increase the number of medical school graduates and we will relieve the growing shortages of physicians and dentists and other needed professional health personnel.

7. We will enable some 70,000 to 90,000 additional students to attend college each year under an expanded loan program.

8. We will modernize and expand our Federal-State programs for vocational education in order to train for the changing world of work the 8 out of 10 young people who will never obtain a college education.

9. We will reduce the shortage of qualified personnel for the training and teaching of mentally retarded and other handicapped children.

10. We will expand our manpower development and training program to meet the growing problem of untrained, unemployed school dropouts.

11. We will expand programs for teaching science and mathematics and foreign languages, while extending the other valuable provisions of the National Defense Education Act.

12. We will continue the program of Federal financial assistance for the construction and the maintenance and the operation of schools that are crowded by the presence of children of Federal personnel.

13. And finally, we will, under legislation to be passed shortly, provide public libraries for the residents of cities and counties all over this great country who now have only antiquated library facilities and some have no libraries at all.

This legislation is dramatic, and it is concrete evidence of a renewed and continuing national commitment to education as the key to our Nation's social and technological and economic and moral progress. It will help meet the demands of our economy for more skilled personnel; it will enable many more of our young people to cope with the explosion of new knowledge and to contribute effectively in a world of intellectual, political, and economic complexity.

But these new measures will still not do the whole job of extending educational opportunities to all who want and can benefit by them, nor in meeting our growing national needs. I, therefore, strongly urge the Congress to take early, positive action on the unfinished portion of the National Education Improvement Act, particularly those programs which will assist elementary and secondary schools. In addition, I urge prompt action on proposed programs for combating adult illiteracy, for expanding adult education, for improving the quality of education at all levels.

President Kennedy fought hard for this legislation. No topic was closer to his heart. No bill was the object of more of his attention. Both his life and his death showed the importance and the value of sound education. The enactment of this measure is not only a monument to him, it is a monument to every person who participated in passing it, and most of you are in this room today.

It clearly signals this Nation's determination to give all of our youth the education they deserve, and as long as we have a government, that government is going to take its stand to battle the ancient enemies of mankind, illiteracy, and poverty and disease, and in that battle, each of you are soldiers who wear the badge of honor.

PRINCIPAL STEPS IN INITIATING THE HIGHER EDUCATION FACILITIES ACT OF 1963

1. Designation or establishment of the State commission by the Governor (title I).

2. Establishment by the Office of Education of the Advisory Committee on Graduate Education (title II).

3. Publication by the Office of Education of initial regulations.

4. Submission of State plan and approval of plan by the Office of Education.

5. Submission by the higher education institutions of part I of applications (preliminary application for purposes of eligibility determination and tentative approval).

6. Recommendation of projects by the State commission and the Advisory Committee on Graduate Education to the Office of Education.

7. Tentative approval of applications (part I) and reservation of funds for grants or loans by the Office of Education.

8. Submission by higher education institutions of part II of applications (complete application with proposed construction plans), and processing of these for approval.

HIGHER EDUCATION FACILITIES ACT OF 1963

Distribution of legislative authorizations for grants by States for construction of undergraduate academic facilities (title I), fiscal year 1964

State	Total	For public community college and public technical institutes [1]	For undergraduate institutions other than public community colleges and public technical institutes [2]
United States and outlying parts	$230,000,000	$50,600,000	$179,400,000
50 States and District of Columbia	227,781,567	49,964,140	177,817,427
Alabama	3,799,198	1,155,837	2,643,361
Alaska	169,796	34,250	135,546
Arizona	2,039,680	437,366	1,602,314
Arkansas	2,255,144	675,054	1,580,090
California	23,526,503	3,726,316	19,800,187
Colorado	2,571,544	487,685	2,083,859
Connecticut	2,902,416	505,248	2,397,168
Delaware	500,816	83,281	417,535
Florida	5,635,182	1,350,056	4,285,126
Georgia	4,509,395	1,231,290	3,278,105
Hawaii	899,468	234,752	664,716
Idaho	984,840	274,101	710,739
Illinois	11,297,614	2,090,262	9,207,352
Indiana	5,975,860	1,329,095	4,646,765
Iowa	3,831,406	931,592	2,899,814
Kansas	3,079,469	753,906	2,325,563
Kentucky	3,513,723	919,798	2,593,925
Louisiana	4,175,243	1,097,948	3,077,295
Maine	1,171,567	329,261	842,306
Maryland	3,624,130	752,669	2,871,461
Massachusetts	7,210,128	1,296,905	5,913,223
Michigan	10,234,803	2,266,764	7,968,039
Minnesota	5,014,430	1,170,876	3,843,554
Mississippi	2,727,345	742,420	1,984,925
Missouri	5,321,233	1,201,727	4,119,506
Montana	961,224	235,679	725,545
Nebraska	$1,944,680	$452,199	$1,492,481
Nevada	307,199	53,460	253,739
New Hampshire	808,359	180,313	628,046
New Jersey	6,048,385	1,321,112	4,727,273
New Mexico	1,248,015	295,578	952,437
New York	19,470,568	3,336,848	16,133,720
North Carolina	5,985,548	1,624,672	4,360,876
North Dakota	1,002,227	275,852	726,375
Ohio	11,604,625	2,565,844	9,038,781
Oklahoma	3,424,468	821,735	2,602,733
Oregon	2,723,857	579,361	2,144,496
Pennsylvania	13,590,426	3,239,816	10,350,610
Rhode Island	1,083,955	222,134	861,821
South Carolina	2,830,114	859,487	1,970,627
South Dakota	968,409	253,087	715,322
Tennessee	4,523,952	1,216,405	3,307,547
Texas	11,654,882	2,702,739	8,952,143
Utah	1,826,626	353,828	1,472,798
Vermont	618,569	141,789	476,780
Virginia	4,359,966	1,102,635	3,257,331
Washington	4,214,652	872,466	3,342,186
West Virginia	2,340,941	649,714	1,691,227
Wisconsin	5,502,074	1,336,254	4,165,820
Wyoming	448,283	101,410	346,873
District of Columbia	1,318,630	91,264	1,227,366
American Samoa	14,171	3,657	10,514
Guam	67,945	19,520	48,425
Puerto Rico	2,114,530	604,082	1,510,448
Virgin Islands	21,787	8,601	13,186

[1] Distributed according to the State products of (1) 1962–63 high school graduates and (2) allotment ratios with limits of 0.3333 and 0.6667.
[2] One-half is distributed according to fall 1962 enrollment in grades 9–12, and one-half is distributed according to fall 1963 enrollment in institutions of higher education.

NOTE.—Data on enrollments and high school graduates are partially estimated.

BRIEF SUMMARY OF HIGHER EDUCATION FACILITIES ACT OF 1963

PURPOSE

To assist the Nation's institutions of higher education to construct needed classrooms, laboratories, and libraries in order to accommodate mounting student enrollments and to meet demands for skilled technicians and for advanced graduate education.

TITLE I

1. This title establishes a 5-year program of grants to institutions of higher education for the construction of academic facilities. The appropriation authorization for each of the first 3 fiscal years, commencing with the fiscal year ending June 30, 1964, is specified in the statute as $230 million.

2. The appropriation for any fiscal year is divided into two parts for allotment among the States (including the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa):

(a) Twenty-two percent of the appropriation is allotted on the basis of a State's relative per capita income and number of high school graduates. A State's allotment from this fund can be used only for public community colleges and public technical institutes.

(b) The remaining 78 percent of the appropriation is allotted as follows: One-half on the basis of the realtive number of students enrolled in grades 9 through 12 in the State and one-half on the basis of the relative number of students enrolled in institutions of higher education in such State. The allotment from this fund is available for grants to institutions of higher education, public and private, in the State (other than public community colleges and public technical institutes).

3. Institutions of higher education other than public community colleges and public technical institutes are eligible for construction grants only if the construction is limited to structures (or portions thereof) especially designed for instruction or research in the natural or physical sciences, mathematics, or modern foreign languages, engineering or for use as a library; and all institutions of higher education (including public community colleges and public technical institutes) are eligible for a grant for construction only if the particular construction will, either alone, or together with other construction to be undertaken within reasonable time, result in an urgently needed substantial expansion of the institutions' student enrollment capacity or, in the case of a new institution of higher education, result in creating urgently needed enrollment capacity.

4. A State desiring to participate in the grant program under this title must designate, as the State commission, an existing State agency which is broadly representative of the public and of institutions of higher education (including junior colleges and technical institutes) in that State, or if no such State agency exists, establish such a State agency, and submit to the Office of Education through such commission a State plan for participation under title I. The Commissioner of Education is authorized to expend from funds available therefor, not to exceed a total of $3 million for all States, during each of the first 2 fiscal years of the program under this title, such amounts as may be necessary for proper and efficient administration of State plans approved under this title, including expenses which were necessary for the preparation of such plans.

5. Among the provisions required in a State plan, as enumerated in section 105(a), is the setting forth of objective standards and methods, consistent with basic criteria prescribed by the Commissioner of Education, for determining (a) relative priorities of eligible projects for the construction of academic facilities submitted by institutions of higher education in the State, and (b) the Federal share of the cost of each such project (other than a project for a public community college or public technical institute).

6. While the Federal share of a project for an institution of higher education, other than a public community college or a public technical institute, may vary up to a maximum of one-third of the cost, the Federal share of a project for a public community college or a public technical institute is fixed by law at 40 percent.

TITLE II

1. This title establishes a 5-year program of construction grants (covering up to 33⅓ percent of the costs) to assist public and private institutions of higher education to improve existing graduate schools and cooperative graduate centers and to assist in the establishment of graduate schools and cooperative graduate centers of excellence. Appropriation authorizations for the first 3 years are specified in the statute, i.e., $25 million for fiscal year 1964 and $60 million for each of the next 2 succeeding fiscal years.

2. In approving applications, the Commissioner is required to consider the extent to which a particular project will contribute to achieving the objective of this title—which is to increase the supply of highly qualified personnel urgently needed by the community, industry, government research and teaching—and also the extent to which the grant will aid in attaining a wider geographical distribution of graduate schools and cooperative graduate centers.

3. This title also establishes in the Office of Education an advisory committee on graduate education to advise the Commissioner on the administration of the program, including the action to be taken on applications for grants under this title.

TITLE III

1. This title authorizes a 5-year program of loans for the construction of academic facilities at institutions of higher education. The appropriation authorized for each of the

first 3 fiscal years commencing with the fiscal year ending June 30, 1964, is specified in the act as $120 million.

2. The loans will bear an interest rate determined by the Commissioner which cannot be less than one-quarter of 1 percent above the average annual interest rate on all Federal obligations. Currently this rate is 3⅝ percent. The maximum period for repayment of a loan is 50 years.

3. An institution applying for a loan will have to show that not less than one-fourth of the development cost of the project will be financed from non-Federal sources and that it cannot borrow from other sources on equally favorable terms.

EXCLUSIONS

The following are not considered academic facilities for which grants or loans for construction may be made under the act:

1. Any facility intended primarily for events for which admission is charged to the public.

2. Any gymnasium or other facility specially designed for athletic or recreational activities, other than a course in physical education.

3. Any facility used or to be used for sectarian instruction or religious worship.

4. Any facility used or to be used primarily for any part of the program of a school or department of divinity.

5. Any facility used or to be used by a school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or public health.

DECEMBER 13, 1963.

TRIBUTE TO LEGISLATIVE COUNSEL AND GOVERNMENT PRINTING OFFICE

Mr. MORSE. Mr. President, in reviewing the educational legislation which has been brought to the floor of the Senate in this first session of the 88th Congress, I have once more been struck by the debt that we as Senators owe to certain of the professional service organizations of the Senate, without which our operations as legislators would be severely handicapped. I refer in particular at this time to the unstinting cooperation we have received from the Office of Legislative Counsel of the U.S. Congress. Mr. Peter W. LeRoux, assistant counsel, worked with my subcommittee at each stage of the legislative process. His professional skill and advice at the drafting stage, in committee and in conference were invaluable to me and to my colleagues.

Legislation in the field of education, involving as it does much material of a statistical nature, particularly when the legislation incorporates equalization formulas, places heavy demands upon the Government Printing Office and their skilled craftsmen. I thank them and I thank the Senate Official Reporters, who with Mr. Placidino Zagami, their chief clerk, have as usual performed miracles of syntactical skill.

SIGNING OF PUBLIC LAW 88–210, THE VOCATIONAL EDUCATION ACT OF 1963

Mr. MORSE. Mr. President, by his signature this morning, President Johnson completed the legislative process on H.R. 4955, the vocational education bill. By this act the President has formally reaffirmed our national commitment to education as the best technique to achieve for all Americans the realization of our goals.

On an occasion such as this, in my view, it is most appropriate to bring to the attention of Senators a speech delivered by the Honorable Francis Keppel, U.S. Commissioner of Education, December 9, 1963, at the annual convention of the American Vocational Association in Atlantic City. The speech is entitled: "Vocational Education: A Promise for Tomorrow." In it the Commissioner stressed many points of importance which are contained in H.R. 4955, now Public Law 88–210, which make his address worthy of careful study. At this time I shall note but two which, in my judgment, deserve emphasis over and over again.

The first point is marked by a note of optimistic affirmation as he discussed automation and the challenge this phenomenon presents to our society. I quote:

Automation, the specter that haunts the ranks of the unskilled and semiskilled, can be turned into a blessing. I refuse to be intimidated by the forecast that, through automation, this country is faced with a permanent high level of unemployment. I am convinced that automation is just the means we need to make us find more efficient use for the human mind as we are freed from the need of harnessing human brawn.

Today, we are finding that job opportunities are declining for all but the highly skilled and the knowledgeable. But what does this forecast mean? I say it summons a breakthrough in education, that it calls on education to reveal and develop the hidden potential of the human intelligence and the human spirit. I will not accept the premise that there are unteachables in our society. I firmly believe that every human being possesses a potential contribution to mankind—if we have the skill to release this contribution.

I share the faith that the Commissioner has so well stated that:

Every human being possesses a potential contribution to mankind—if we have the skill to release his contribution.

This is our job as legislators, to clothe with statutory language the ideals of our generation and the timeless truths of our moral heritage from Athens, Jerusalem, and Rome. This we have tried to do in H.R. 4955.

The second point upon which I commend the Commissioner is his concluding brief statement in which he sets forth the "Declaration of Principles" of the Office of Education in its operation and administration of educational legislation.

Commissioner Keppel says:

May I conclude with a brief statement of the position of the Office of Education? I would offer it in the form of a declaration of principles:

First, training for work should be a fundamental aspect of education.

Second, the means and goals of education should reflect the economic and social conditions of the present and the likely trends of the future.

Third, vocational education should stretch its dimensions to reach those for whom a minimum education is the only hope for dignity and economic freedom, and those who enjoy technical talents.

Finally, vocational education should inculcate the appreciation of ideas as well as the performance of techniques. For vocational education should not be regarded as a substitute for a sound academic background but as an integrated part of a grand educational phase.

With these principles, I submit, vocational education will truly join the mainstream of all education in this latter half of the 20th century.

Again, I concur and commend the Commissioner for his lucid statement.

Mr. President, I ask unanimous consent that the speech to which I have alluded be printed at this point in my remarks.

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

VOCATIONAL EDUCATION: A PROMISE FOR TOMORROW

(Speech by Francis Keppel, U.S. Commissioner of Education, Department of Health, Education, and Welfare, delivered at the American Vocational Association convention, Atlantic City, N.J., December 9, 1963)

It is a pleasure to be with you today, to speak before the American Vocational Association. I come here seeking our common cause. Your purpose is to foster the development and improvement of vocational education; mine, to foster the improvement of education generally. These purposes are and should be one and the same.

In this 7th decade of the 20th century, we have come to a time of unique change, vast social and economic and technological change, which is reshaping our country and our future. In such a time of change, men look to education to find their bearings, to gage their direction and their course.

But if education is to serve, it must be responsive and sound—from elementary to vocational education, from high school to college. It provided training for boys and men for jobs in the mechanized factories that were changing the profiles of our cities—and for work on farms that were becoming mechanized. To public schooling, the Smith-Hughes Act added a new dimension of economic reality.

Thus, in 1917, came the beginning of a vision. But in the years that followed, despite some new legislation, vocational education seemed to mark time and the vision was blurred and dimmed. Meanwhile, our society was undergoing enormous shifts through the population boom and rapid developments in science and technology.

The vocational school still stands in the big cities of our country—where so many of our people are converging—but it often stands as a monument to another time. Even the school buildings that house vocational students are for the most part remnants of the red brick period. In the rural communities of the Nation, the unrealities of vocational programs are even more obvious.

Both the big cities and the small towns in too many localities, are failing to relate education to the changing job market. The States, in turn, may have helped to perpetuate these unrealities by continuing antiquated standards of teacher certification; by neglecting new research; and by isolating vocational education from the mainstream of education planning. These criticisms do not apply universally, of course. But the shortcomings in many localities have brought down criticism on the whole sweep of vocational education.

This uncoveted attention comes at a time of awakening to its intrinsic importance. Now, as in 1917, vocational education is again in style. Everyone wants to improve it.

Now, thankfully, we are moving into a new period of opportunity for vocational education. In his education message to Congress in 1961, President Kennedy called for a review of existing Federal vocational education legislation with a view toward

modernization and expansion. Subsequently, he requested the Secretary of Health, Education, and Welfare to appoint a national Panel of Consultants to make a review. This 25-member Panel submitted its report to the President a year ago. From its findings and recommendations have come proposals for legislation that would put vocational education in new and proper perspective, befitting its importance to the Nation.

The basic proposals first appeared in the administration's program for school aid, submitted early this year. They are now embodied in H.R. 4955, an act to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation.

You are well acquainted with these basic provisions—greatly increased Federal funds; leeway to the States to permit development of occupational training responsive to their economic needs; construction money for area schools; an authorization to the Commissioner of Education to make grants for basic research and developmental demonstration projects.

Additional proposals, appearing in the Senate version of the act, call for a special appropriation for demonstration work-study programs and for experimental residential schools. These two provisions derive from President Kennedy's civil rights message of last June 19. They reflect a profound concern for the special needs of youth who are socially, economically and academically deprived.

One important aspect of the administration's proposals for aiding vocational education would establish a national advisory committee to be drawn from education and also from business, labor, industry and welfare. New State plans would become part of the modus operandi of the new legislation.

This section dealing with State planning strikes me as the keystone of the proposals. Specific guidelines for development of State plans, under the new legislation, would be drawn up with the guidance of the national advisory committee. These plans would neither become straitjackets against those who would seek changes to meet economic and technological developments, nor would they become refuges for those who would oppose change. Instead, they would be dynamic guides to the progress and change in vocational education and training required to keep pace with the changing occupations of this century.

The legislation presents us with certain overriding issues, focal points for our working together in search of new solutions. I would like to turn to four points which should be reflected and underscored in the planning of the States: (1) employment of a State board of advisory committee in State planning; (2) consideration of manpower needs and job opportunities; (3) consideration of vocational educational needs throughout the State; and (4) research and development.

Now let us examine these specific points.

First, proposed legislation provides for a State board of education, or of vocational education, either to include persons representative of management and labor and persons representative of college-level vocational training institutions, or for the State to provide an advisory committee which includes such persons.

To tune our education goals to the fluctuating wave lengths of regional and national economic conditions requires an adjustment to the whole band of community services. Economists, sociologists, labor leaders and educators themselves have, by default, helped to perpetuate educational defects. Each group has frequently deplored the shortcomings as seen from its corner. It has not often acknowledged that solutions lie only in the combined efforts of all.

In our vocational education planning, we would wisely recruit and use personnel whose basic training has been in economics and sociology, in engineering and welfare, in business and in public health. These persons need not necessarily come with formal experience in vocational education. We are now planning just this kind of recruiting at the Office of Education.

Second, the proposed legislation requires the inclusion in the State plan of a statement that due consideration be given to the results of periodic and projected manpower needs and job opportunities.

This is most important to appropriate planning. Clearly, we must devise methods to assure that our vocational programs will not soon go out of date, that they will respond to the impact of developing technology on the labor market. At best, the data we now have is sketchy. Here, there is room for significant research and for closer cooperation between education services and employment services, between labor unions, business and industry.

To achieve such coordination will require active advisory committees, both local and State. I know that advisory committees already exist. But I also know that many exist in little more than name. They do not regularly appraise, coach, inform or advise. We could use these bodies more effectively in vocational education than they are now being used.

Third, the proposed legislation requires that State plans must reflect consideration of the vocational education needs of all groups in all communities in the State.

Walter Arnold, Assistant Commissioner of Vocational and Technical Education at the Office of Education, sees the broadest of horizons for the reach of vocational education. Vocational education, he says, and here I quote: "Has implications for almost everybody. It must reach into all high schools * * * must extend into the lives of the working people who have long since left school; (it must) offer the variety and quality of training that will insure us against future generations of unemployables and * * * insure today's workers against the specter of unemployment caused by job obsolescence."

It is this view that I would commend to the States. What faces us is not merely interrelating vocational education to the total scheme of education. We must also relate the total scheme of education to the economic and social realities of our time. Toward this direction, we have begun to make efforts.

Last summer, the Nation launched a crash program to recapture dropouts, to bring young Americans back to the mainstream of schooling. It is already marked by success. Some 5,000 followup letters were sent by President Kennedy to school administrators and teachers throughout the country. Among the replies were many which pointed specifically to vocational education as a key to the school's ability to hold its students. Let me read to you a brief excerpt from a reply from Berkeley Heights, N.J.:

"Students who are sincerely committed to a definite vocational or educational objective generally do not drop out of school. This commitment must be a valid one * * * the result of considered action based upon pupil desire and capability, parental involvement, and the recommendations of qualified guidance personnel."

A crash program, an emergency measure, of course, is not a pattern for permanent success. In vocational education over the long haul, we must seek a stability that will preclude the need for crash programs. And here, indeed, we have a long way to go.

There are cities in this country that are turning out young people trained for vocations which are already becoming extinct in the economic setting of their regions. There are school systems where the unemployment rate for Negro youths runs as high as 80 percent—partly because they are not trained for the kinds of jobs available, and partly because they are not trained very well in anything, beginning with the basic tool of reading.

In a nation abounding in natural resources and increasing its economic resources every year, there should be no tolerance of poverty caused by ignorance. Nor should we tolerate oppression felt by people who are excluded from our national well-being because their educational level limits them to a passive, second-class citizenship.

Automation—the specter that haunts the ranks of the unskilled and semiskilled—can be turned into a blessing. I refuse to be intimidated by the forecast that, through automation, this country is faced with a permanent high level of unemployment. I am convinced that automation is just the means we need to make us find more efficient use for the human mind as we are freed from the need of harnessing human brawn.

Today, we are finding that job opportunities are declining for all but the highly skilled and the knowledgeable. But what does this forecast mean? I say it summons a breakthrough in education, that it calls on education to reveal and develop the hidden potential of the human intelligence and the human spirit. I will not accept the premise that there are unteachables in our society. I firmly believe that every human being possesses a potential contribution to mankind—if we have the skill to release this contribution.

But do we have this skill? Can we train students for the world's needs as they exist? Or are we still training young Americans only for a world that is vanishing? What are the facts?

We have produced more than 30,000 highly skilled new technicians in 5 years of technical education under the National Defense Education Act. But estimates tell us that the country's industries and scientific endeavors can absorb up to 10 times that number. Indeed, 1 observer has come up with an estimated need for close to 200,000 new technicians every year.

We have increased the number of public institutions offering technical education to 650 or so. But the range of offerings in many of these schools is severely limited. While Federal funds are available for training in the industrial and engineering technologies, few States, on their own initiative, have reached into the wide-open fields of biological technologies.

Last year, we expended about $14 billion in public funds—Federal, State, and local—on public education. But only $256 million went into the federally aided programs of vocational education.

Today, the outlook for the untrained person is most unpromising. For example, jobs that require no skill are occupied by only about 5 percent of our industrial workers, and the number of unskilled and semiskilled production workers in manufacturing has declined by 772,000 in the past 5 years.

On the other hand, for the person who possesses specialized skills and the background knowledge to go with them, the outlook is excellent. Jobs for professional and technical workers will rise about 40 percent in the 1970's, and jobs for sales workers, managers, and proprietors will rise about 20 percent, according to official estimates. Moreover, in the field of health occupations, at all levels, the demand for trained workers greatly exceeds the supply. And the gap will not be closed very soon.

Thus the shaping of vocational education programs to meet anticipated developments in these employment areas becomes a matter for each and every community to explore for itself as well as for each State to explore

in relation to its place in the national scheme of things.

Fourth, the proposed legislation leads to the necessity of understanding precisely the vocational needs of our society and how we can meet them. It calls for cooperative arrangements with the State public employment offices to supply occupational information for vocational education agencies in counseling students and in determining the occupations for which they are trained.

These requirements obviously call for a major effort in research and development, in which all the specialized fields of social and economic learning can contribute. Realistically conceived and executed, research in depth should become an integral part of education planning.

We are faced by difficult questions. What kinds of training programs are proving most effective in industry? What qualifications should we seek in vocational teachers? How effective are the teaching aids we now employ? How can we develop curriculums better suited to individual needs? How shall we train today for tomorrow's employment?

To such questions as these, research can provide answers. From research we can shape meaningful precepts for new vocational programs.

Sometimes we can learn fast by trial and error. For this reason, pilot projects deserve a bigger place in public education than they are now receiving. We are already learning much from the special projects of the Manpower Development and Training Act. At times the failure of a project as an education venture makes for success in pointing up fallacies in old methods applied to new situations.

Therefore, the provision for research grants and demonstration project grants, awarded by the Commissioner of Education, may prime the pump of State activity in research and development in vocational education. But beyond this, I hope that the States can join forces to create regional research centers to coordinate important work which is now performed too often in isolation. These research centers would provide the means by which economic, social, and educational problems common to an entire region could be treated in a coordinated fashion.

I repeat that these points are specifically outlined in the proposed legislation, H.R. 4955. At the same time they give us guidelines for new directions, regardless of the fate of the legislation. From them, we can formulate a new series of guides for vocational education, guides to lead this Nation toward a new era in our total educational accomplishment.

May I conclude with a brief statement of the position of the Office of Education? I would offer it in the form of a declaration of principles:

First, training for work should be a fundamental aspect of education.

Second, the means and goals of education should reflect the economic and social conditions of the present and the likely trends of the future.

Third, vocational education should stretch its dimensions to reach those for whom a minimum education is the only hope for dignity and economic freedom, and those who enjoy technical talents.

Finally, vocational education should inculcate the appreciation of ideas as well as the performance of techniques. For vocational education should not be regarded as a substitute for a sound academic background but as an integrated part of a grand educational plan.

With these principles, I submit, vocational education will truly join the mainstream of all education in this latter half of the 20th century.

Mr. MORSE. Mr. President, Secretary Celebrezze, Assistant Secretary for Legislation Cohen, and Commissioner Keppel all deserve and should receive our thanks and gratitude for the splendid record in educational legislation they have made possible in this 1st session of the 88th Congress. As chairman of the Education Subcommittee of the Senate Committee on Labor and Public Welfare, I wish to express to each of them formally my congratulations as I did in person, informally, this morning.

NATIONAL CULTURAL CENTER AS A MEMORIAL TO THE LATE PRESIDENT KENNEDY

Mr. MOSS. Mr. President, both the House Public Works Committee and the Senate Public Works Committee have now reported favorably a bill to name the National Cultural Center, the John F. Kennedy Memorial Center for the Performing Arts. It is my hope that the Congress will pass such a bill before it adjourns. Perhaps the first, or at least one of the first, to make a recommendation for this course was Kenneth A. Finch. He wrote to every Member of Congress, and to many others. I ask unanimous consent that two letters written by Mr. Finch be placed in the RECORD.

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

WASHINGTON, D.C.,
November 26, 1963.

To the U.S. Congress Assembled and to the Governors of the 50 States.

GENTLEMEN: The attached letter to the editor, entitled "In memoriam—Let There Be Music," was written at dawn on November 23, 1963, upon my return from an all-night vigil before the White House, waiting for the President to come home for the last time.

In originally submitting my letter to the editors and music-drama critics of all newspapers in the Nation's Capital, I urge them to either print my proposal or adopt the idea contained therein in their own words. To date, to the best of my knowledge, my letter has never been set in print anywhere, but the idea has been adopted in part in Washington editorial comment. What is of equal importance, I have been assured by several Members of Congress, to whom I have already written and spoken, that they will introduce legislation to effect this proposal. However, the problems involved in introducing such legislation and enacting the same are, as we know, poles apart.

Therefore, let me urge you, individually, to act on this proposal and to bring the attached letter to the editor, or the seeds of the ideas contained therein, to the attention of your constituents, the American people—that support for the proposed legislation may spring forth from the grassroots of this Nation, that the American people may join together with hands and hearts in building this living memorial to John Fitzgerald Kennedy, thereby insuring the fulfillment of one of his most cherished dreams of his country and his people.

Sincerely,

KENNETH ANDERSON FINCH.

NOVEMBER 23, 1963.

IN MEMORIAM—LET THERE BE MUSIC

(A letter to the Nation)

At 0425 hours this 23d day of November in this year of our Lord, 1963, John Fitzgerald Kennedy came home for the last time. His widow, clothed in her bloodstained gown, grasping those 50 stars on a field of blue that now were his last mantle, smiled a Mona Lisa smile through her veil of tears at the sight of a throng, a thousand strong, who had shared her all-night vigil at his side. The Nation had not slept—we dare not sleep.

Two years, ten months, two days—eternity. John Fitzgerald Kennedy, 35th President of the United States, now belongs to the ages. It is not our right to judge him; history will see to this; but it is our duty to remember him—this smiling, vigorous, imaginative man, our Nation's youngest President, war hero, man of letters, patron of the arts, scholar, statesman, untiring advocate of peace, unflinching champion of freedom and equality for all men.

Let us not mourn him in somber tones—in cold marble or stone—for this was not the measure of this vital young man. Rather let us dedicate ourselves to a living memorial that will forever bespeak itself of him. Among his most treasured unfulfilled dreams was the hope that one day this American democracy and his people would reach the same cultural heights realized by the ancient Athenians in the golden age of Greece.

In dedicating the Robert Frost Memorial Library at Amherst College on October 26, 1963, the President expressed his dream in these words: "I look forward to an America which will reward achievement in the arts as we reward achievement in business or statecraft. I look forward to an America which will raise the standards of artistic accomplishment and which will steadily enlarge cultural opportunities for all our citizens. And I look forward to an America which commands respect throughout the world not only for its strength but for its civilization as well."

Like no other occupant before them the late President and his First Lady threw open wide the doors of their home, the White House, lit the east wing where now he rests and filled it with the joyous sounds of music and song, drama and dance. The performing arts in this Nation's Capital have never known greater friends; and tonight concert halls and theaters across the Nation are darkened because of the passing of him. Let us not curse this darkness—rather let us together light a candle in memory of him.

Let us tear from our hearts the smallness, the bigotry, the hatred that has taken him from our midst all too soon by building a living tribute to him in the shadow of the Lincoln Memorial. Let men and women across the Nation, whatever their race, religion, or political belief, join as one in petitioning the Congress through their individual Senators and Representatives, urging that legislation be passed designating the proposed National Cultural Center as the John Fitzgerald Kennedy Memorial Center for the Performing Arts.

Finally, upon the enactment of this legislation by the Congress, and with the permission of his bereaved widow, let us, his countrymen—or rather, let people the world over join together in contributing the stones of this living memorial—whether by dime or drachma, shilling or franc, lire, yen, peso, kroner, kopec, or mark. Let us endow this living memorial to insure that the music that goes forth therefrom to this land and to the four corners of the earth will truly reflect the spirit of this man—consumed by his dream of peace for the world, freedom and equality for all mankind. Let us begin anew with this living tribute—for music is truly the only universal language of man. Let us begin today—the end of this, our longest day.

KENNETH ANDERSON FINCH,
Captain, USAFR.

MASS TRANSIT: EFFICIENT, ECONOMICAL, NECESSARY

Mr. WILLIAMS of New Jersey. Mr. President, the recent House defeat of the

District of Columbia transit proposal for very unfortunate reasons only serves to dramatize again one of our greatest national needs—a balanced transportation system.

It should serve to show that unbending conflict among varying groups cannot solve the problem of increasing congestion which confronts all our cities, and is even beginning to plague the smaller towns. But cooperation can, and will, if we are determined to make it possible for both transit and automobile to do the job they are best suited to do. To this end, I sponsored the administration's mass transportation bill, which passed the Senate last spring.

The autumn issue of Nation's Cities, a new and most valuable magazine of the American Municipal Association, contains an excellent discussion of the mass transportation bill, and its potential for bringing balance and cooperation into the congested urban transportation scene. I request unanimous consent to have the article printed at this point in the RECORD.

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

MASS TRANSIT: SLOWED DOWN BUT NOT DERAILED

(By Donald W. Lief)

Once bright, the chances of final congressional approval of a mass transportation bill have been clouded by a remarkable set of circumstances. With the support and headway already achieved in Congress, this is surprising. Consider the positive side: Passage by the Senate before Easter, substantial approval by the House Banking and Currency Committee, and a growing national agreement that healthy mass transit facilities are a vital part of tomorrow's balanced transportation systems.

But events during the 88th Congress have indicated to the House leadership that, should the measure be brought to a vote, the outcome would be far from certain. There are strong reasons for the leadership's hesitation: The rebuff suffered by the administration on the Area Redevelopment Act showed that it could not count on a working majority for its priority bills. Civil rights then came to the fore and sharpened sectional differences. The passage of the tax cut bill gave impetus to the economy mood against grant programs.

On top of these came the White House decision to endorse a $790 million rapid transit system for the Washington, D.C., area. The decision, which followed a plan developed by the National Capital Transportation Agency, included a freeze on construction of several key segments of Washington's freeway systems.

The decision unleashed a storm of controversy. In public and in private, highway, and automotive industry spokesmen grew vocal about lowering the priority of these urban sections of the Interstate System. And, in congressional hearings which examined the NCTA project, hostile witnesses began to tee off on the national mass transit bill as well as the local project. Their reaction was matched by transit partisans who had no sympathy for urban freeways.

Despite the decline in its appeal, the mass transit bill may yet prevail. Officials in the highway and transit industries are approaching philosophic agreement on the implications of balanced transportation. Planners and highway engineers are beginning to work more closely as they move into the field of comprehensive transportation planning required by the 1962 Highway Aid Act.

Responsible persons and organizations see balanced transportation as an essential goal—with mass transit's role not limited to commuter rail systems in the great metropolis but including the smaller community's bus systems.

Typical of the attitude of the transit industry is the comment of George W. Anderson, executive vice president of the American Transit Association, who told the Automobile Manufacturers Association, "Future emphasis should probably be placed not so much on the mutually exclusive uses of these two media [transit and autos] as upon their complementary uses in a balanced system of urban transport which capitalizes on the capacity characteristics of each and the relation of these characteristics to the travel patterns of the metropolitan area."

Within the great metropolitan areas, private automobiles alone cannot meet the transportation needs of the future. Since 1959, the American Municipal Association's policy has pointed out, "Not only would the cost be prohibitive, the amount of land required for highways and parking facilities would take so much of the usable space in any urban area as to defeat its own purpose."

The problems of rush hour congestion and parking are increasingly familiar to cities of moderate size where the toll of private bus lines has been significant since the end of World War II. These medium and smaller cities also require fluidity of movement for survival. But the Nation's transit bus fleet declined more than 20 percent between 1954 and 1960.

To restore health to a generally sick transit industry is a major undertaking, but the alternative of a dead transit industry is much worse. Transit and commuter railroads have left the category of private convenience; they are clearly necessities.

Communities throughout the country have come to realize this: Voters in the San Francisco Bay area last year voted to tax themselves a total of $792 million to build an ultramodern high-speed rapid transit system linking San Francisco with Oakland, Berkeley, and other East Bay cities. Reynolds Metal Corp. reports that some three dozen metropolitan centers are actively planning new or revitalized mass transit facilities. Atlanta, St. Louis, Los Angeles, and Philadelphia are key examples.

Since mass transit—like commuting by automobile—often provides transportation across city, county, and even State lines, this is a problem which cannot be termed local. Cooperation is needed—at all levels of government and by private as well as public carriers.

Despite the opposition of the U.S. Chamber of Commerce, local chambers of commerce in Boston, Philadelphia, and other cities have strongly endorsed the necessity for national action on this national problem.

Just what would the pending mass transit bill try to do? Would it be a massive Federal spending program?

The bill would aid mass transportation by helping private and public companies modernize their facilities and equipment. It would also support badly needed research in the technology of mass transportation. Like recent housing and highway legislation, the bill would also encourage areawide planning to result in desirable urban development.

Under the bill's terms, grants or loans could be made to assist States, local governments and other public agencies. Funds could be spent on land (not public highways), buses and other rolling stock, tracks, and terminals. Money could not be used to subsidize any operating deficit of the system.

No grant or loan, according to the bill, could be made unless the facilities and equipment of the project were to be part of a unified, coordinated urban transportation system. This system would have to be developed with the objective of sound, economic and desirable growth of the area.

In short, the criteria for assistance under this bill strongly resemble the terms of the 1962 Federal Highway Aid Act which make comprehensive, continuous transportation planning a "must" for metropolitan areas by July 1, 1965, if they seek additional Federal help with highway projects.

Further evidence of the growing agreement between highway and transit viewpoints in the Federal Government is the recent requirement by the Bureau of Public Roads that this transportation planning must give strong consideration to mass transit facilities.

When the planning process, with the impetus of the Highway Act, gets underway in more than 200 urbanized areas, extreme arguments of "highways versus transit" will be muted as conclusions emerge from massive collections of evidence. Then the transportation plan's alternatives can be debated sensibly.

In the meantime, however, action must be taken. The authorization of $600 million contained in the mass transit bill is important; the funds are direly needed by communities which are witnessing a daily deterioration in their transportation picture. But—equally important—the bill's passage would acknowledge that the economic health of our urban areas is of national concern, and that the Federal Government's policies on transportation are one large step closer to being consistent, balanced, and farsighted.

SUCCESS OF MIGRANT HEALTH ACT

Mr. WILLIAMS of New Jersey. Mr. President, in 1962 the Congress passed a major piece of legislation designed to bring direct help to America's forgotten man, the migratory worker. The Migrant Health Act of 1962 was the first piece of migratory labor legislation to be enacted in more than 30 years.

I know that the many supporters of this program will be happy to learn of the successes it has attained. Migrant health projects were in operation in more than 22 States during the past summer. The Public Health Service has prepared a brief summary of the operations of the program and I ask unanimous consent that this report be included in the RECORD at the conclusion of my remarks.

The State of California has been a leader in efforts to improve health conditions among migrant workers and their families. Two articles in the Medical Tribune describe the outstanding work being done by the California Farmworkers Health Service with the help of money granted under the Migrant Health Act. The articles also pay a well deserved tribute to the selfless work of Dr. Bruce Jessup, the former head of the Farmworkers Health Service. The passage of the Migrant Health Act was greatly helped by Dr. Jessup's ceaseless efforts in its behalf. He is now using his great talents to help the Iranian Government improve health care for the poor peasants of that country.

These articles describing the work of Dr. Jessup, his able successor, Dr. Paul O'Rourke and Dr. Malcolm Merrill, the State health director will be of great interest to all concerned with the many problems facing migratory farmworkers. I ask unanimous consent that the two articles from the Medical Tribune be printed in the RECORD at the conclusion of my remarks.

The Migrant Health Act is only a beginning; much remains to be done to better the living and working conditions of the migrant. But the success of this program shows that we can, and must, bring practical help to these long neglected and oppressed Americans. If we cannot develop an adequate solution to the problem of migratory farmworkers we will be faced, not only with a continuing economic burden, but a permanent shame to our prosperous society.

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

MIGRANT HEALTH ACT—PROGRESS REPORT

To: Regional and other officials.
From: Robert J. Anderson, Assistant Surgeon General, Chief, Bureau of State Services.
Subject: Executive memorandum No. 12 of 1963.

The Nation's million agricultural migrants traditionally have fallen between the cracks of community health services, whether those services have been provided under public or voluntary auspices. Recent national awakening to the agricultural migrants' health needs and problems in obtaining care led the Congress to pass the Migrant Health Act of September 1962 (EM, Oct. 19, 1962). This law (Public Law 87-692) helps to reduce the unfavorable position of migrants in gaining access to community health services. It is based on the premise that, given an extra boost of financial and technical aid, States and communities can muster resources that will provide realistic access to medical care and preventive health services, for these temporary residents.

The Congress authorized a 3-year period to test this approach to the health problems of the migratory farmworkers; and placed in the State and in the community, at the point of delivery of services, the major responsibility for planning and conducting these services. The role of the Public Health Service is to assist the States and communities. Briefly the law provides for:

Grants through the Public Health Service to pay part of the cost of family health service clinics or other types of projects, to improve migrants' health services or conditions.

Expanded effort of the Public Health Service, in programs to improve health services for or otherwise improve the health conditions of, domestic agricultural migrant workers and their families.

The broad objectives at the national level are to encourage migrants to assume responsibility for meeting their health needs; and to promote the kind of community environment in which such effort on their part is realistic. In meeting these objectives, the Public Health Service places priority on the development of service projects in the major home base and work areas; and on linking more closely the health services which are provided in various localities along each migratory stream.

Progress under this law will be measured by the services provided and their effect on the health status of migrants; by the knowledge gained and responsibility developed by both migrants and communities.

Action under this new law was begun as soon as the President signed the bill. Before funds were appropriated last May, 58 applications for migrant health grants had been received by the PHS, from public and voluntary nonprofit organizations scattered over the country.

Applications have varied. Some have proposed temporary seasonal clinics to provide medical care to all family members, scheduled and located within easy reach of the families. Some applications have combined family clinic services with nursing and sanitation services. Some have been single-purpose proposals, focusing on nursing or other single-type service. Nearly all of the applications have had health education built into them: To identify and overcome barriers to communication; to involve migrants in identifying and solving their health problems; and to help migrants develop better health habits that can be practiced under their living and working conditions. Some applications proposed State-level units to offer leadership, assistance in providing services, and coordinating efforts within the State, and other aids to project development.

A national project review committee has been established by the Public Health Service. Members include a private medical practitioner, public health workers, a grower, and others concerned with problems of the migrants and of their temporary communities. Dr. J. Robert Lindsay, Chief, Migrant Health Branch, points out that committee members reviewing applications are concerned over what, specifically, will this project contribute to the improvement of migrants' health services and conditions? Will services be suitable to migrants' working and living conditions, as well as to their experience, concerns, and understanding? Will the project help improve migrants' health knowledge and behavior? Will it serve an area important in number of workers and family members? Will substantial contributions be made by the applicant, or by other individuals, or public or voluntary groups (services, knowledge, facilities, equipment, or funds)? Does the project give promise of becoming part of ongoing community health planning and services, supported from local and State sources? How does it propose to relate its services to those provided to the same people in other localities? Does the selection and orientation of project staff take into consideration attitudes, interest, experience, and familiarity with migrants, as well as professional competence? Is proposed staff supervision adequate? Will the project make a contribution of value beyond its geographic boundaries, in providing other localities with new information, techniques, training opportunities, demonstration of services, etc?

Is it evident in the application that project planning has specifically determined: Who will do what? For whom? Where? When? How? Why? At what cost and to whom? How to measure and evaluate the effectiveness of services.

Funds to carry out the Migrant Health Act of 1962 became available late last May. By mid-July, 35 applications had been approved for funding, and grants totaling $1.3 million were awarded. Additional contributions from other than PHS Migrant Health grant sources, as shown by the applications for these funded projects, approximated 40 percent of the total costs.

A majority of the projects got underway quickly. New night clinics were opened. New nurses and sanitarians were employed. New efforts were started to tie the services of one project area to those of others in the same migratory stream. New or expanded health services reached migrant workers in one or more communities of 21 States during this 1963 crop season.

Many conditions requiring health care—which otherwise would have continued without attention—were found, and treated: whooping cough, skin infections, diabetes, and numerous pregnancy cases needing prenatal care. Camp facilities were found to require immediate improvements, and corrective action followed—in garbage and refuse disposal, toilet and shower facilities, insect and rodent control.

That some projects would strike snags was expected. Action was urgent as migrants were already arriving. Project staff in a few locations had little time for the careful groundwork so necessary to assure the best communication and working relations with church groups, local physicians, growers, other individuals and groups. In some communities physicians, dentists, nurses, and sanitarians to fill key positions were hard to find, and obtaining needed facilities, equipment, and supplies caused some delays. Only two projects however, have not been able to get underway thus far, for lack of a key staff member.

Project efforts in many localities have developed a fine community enthusiasm; a greater community understanding and acceptance of migrants; stronger public-voluntary group cooperation; and effective working relationships between State and local health department staffs, for migrant health.

Some applicants have been disappointed that hospital bills cannot be paid from Migrant Health grant funds. A few applicants have incorporated provisions for in-hospital care to be paid from other than PHS Migrant Health funds; using the migrant health grant funds to support general medical care (including preventive health services). Some of these projects, therefore, will provide information on the actual costs of hospital care for migrants. The migrant health program of the PHS is also working with the American Hospital Association to develop and promote a system for further collection of this type of data.

Many groups have looked to the PHS for health education materials adapted to migrants. To relieve the dearth of such materials, the Service has contracted for the preparation of three short health education films. The Service has also contracted for the development of a guide for persons preparing and using materials with east coast migrants.

The knotty problems of relating the services of projects widely separated along migrant streams is another that is being tackled. The PHS cooperatively with interested States and regions will try out several methods during fiscal year 1964. To serve the Central States stream, the nucleus of an interregional consultant team has been established to promote and help develop better communications and coordination of effort. With the east coast regions and States, the proposed approach will utilize central office staff. Conferences involving project staff along major streams are also being considered.

Planning for migrant workers and families is difficult. Nevertheless, fewer communities are now overlooking them when they deploy their resources to meet community health needs. The million migrant agricultural workers, who for so long have fallen between the cracks, are being reckoned with and helped to close the gap in their access to community health care. Although each project can meet only part of the problem, a nationwide solution becomes a possibility as project sponsors along all the migrant streams begin to plan and work together.

[From Medical Tribune, October 4, 1963]

MEDICAL PLIGHT OF COAST MIGRANTS—I: HEALTH PROSPECTS OF 250,000 BRIGHTENED BY FEDERAL GRANT

BERKELEY, CALIF.—Perhaps no other single large group of Americans has suffered such medical neglect over the years as California's migratory agricultural workers. While farm mechanization has gradually cut back their number, it is estimated that some 250,000 workers and their dependents (usually all but the youngest children work) still follow the crops from Imperial County north through the great San Joaquin and Sacramento Valleys, leading an economically and medically marginal life. (This figure does not include about 74,000 braceros, Mexican nationals who are imported under treaty agreement at crop seasonal peaks.)

Suddenly the future of the migrant seems brighter—thanks to a $1 million 2-year Federal grant to the California Department of Public Health, to be used, without the necessity of matching funds or other strings, to ease the medical plight of the migrants.

The grant—based on a bill sponsored by New Jersey Senator HARRISON WILLIAMS—came in response to the dedicated but ill-financed efforts of a group of young physicians within the department and to the prodding of one of them, Dr. Malcolm H. Merrill, the fighting chief of the department.

Leader of the group was Dr. Bruce Jessup, who gave up a lucrative pediatrics practice with the Palo Alto Medical Clinic to take on the task of trying to improve health conditions in migrant labor camps after observing in person the horrifying situation there, particularly among the children.

Dr. Jessup is now doing a similar sort of job for the Iranian Government for that country's poorer peasants, and his place in the California Department of Public Health has been taken by Dr. Paul O'Rourke, another young, crusading physician, whose title is chief of the Farm Workers Health Service.

When Dr. Jessup first took on the job three years ago, he found that the proud—and generally correct—boast of American medicine that no man need go without adequate medical care simply failed to cover these forgotten people.

For one thing, they are largely made up of members of minority groups that often suffer prejudice and discrimination in this country. Half are of Mexican extraction and speak only Spanish, and 20 percent are Negro. Twenty percent are of Anglo-Saxon origin but are the remnants of the Okies and Arkies of Grapes of Wrath memory. The rest are Japanese, Chinese, and Filipinos and alcoholic transients.

For another thing, most of the workers move too fast from crop to crop for any local effort to alleviate their health conditions to be meaningful. California's 58 counties have widely differing rules, but in general no one has a right to county medical services—except in life-threatening situations—short of 6 months of residence.

And, finally, most of the migrants are too ignorant or frightened to seek what little medical care is available to them.

SOME DISHEARTENING FACTS

An early Jessup survey turned up some disheartening facts. Among them:

Most migrant camps were filthy and without sanitary facilities—despite the fact that in many cases they bordered on thriving, clean, country communities.

Three-quarters of all the mothers came to term with no prenatal care whatsoever; in the remainder it was cursory at best.

Two-thirds had no family doctor and had, indeed, rarely even seen a physician.

Ninety percent had no health insurance.

Two-thirds of the children under 3 had no immunizations of any sort.

Three-quarters of those under 18 years had received no polio shots.

In a single camp in Merced County in 1960 there were 30 hospitalizations for infant diarrhea—with an unrecorded number of deaths—and in other camps the condition was very nearly endemic.

Among all the workers and their families, accident rates were alarmingly high, owing in great part to overused farm machinery. Pesticide poisoning always has been a severe problem.

While no exact statistics are available, Dr. Jessup noted sky-high incidences of skin infections, respiratory infections, and uncorrected birth defects. The TB rate was at least three times the State average.

[From the Medical Tribune, Oct. 7, 1963]

THREE MD'S AND PILOT PROJECTS OFFER HEALTH HOPE TO COAST MIGRANTS

BERKELEY, CALIF.—Thanks to the crusading efforts of three physicians and to a Federal grant of $1 million, California's migrant crop workers may soon shed their unhappy reputation as the sickest, least medically cared-for group in the country.

That description—which no one seems to have successfully challenged—comes from one of the three physicians, Dr. Paul O'Rourke, chief of the Farm Workers Health Service of the California Department of Public Health. The others are Dr. O'Rourke's boss, Dr. Malcolm H. Merrill, State health director, and Dr. Bruce Jessup, Dr. O'Rourke's predecessor and now a medical consultant to the Iranian Government.

Most Californians have reacted to their essential seasonal crop workers with feelings that ranged from outright enmity to uneasy conscience pangs. Generally, they have looked the other way, hoping the problem would go away.

With rare exceptions the owners of the big, corporation-like farms that employ most of the migrants have disclaimed any responsibility for them, beyond helping to "save" them from labor unions.

The travels of the migratory workers have made them ineligible for health or welfare aid from the counties, which almost uniformly require 6 months of continuous residence.

When Dr. Jessup surveyed their health status 3 years ago, he found conditions grim. They still are mostly unchanged today, but in such selected counties as Butte, Merced, and Kern, pilot clinics and demonstration projects, set up under the direction of Dr. Jessup and continued by Dr. O'Rourke, have begun to alleviate many of the worst problems. For example, in one camp hospitalizations from infant diarrhea dropped from 30 in 1960 to 1 last year.

The first problems tackled were lack of education and a basic lack of communication due to the migrants' suspicion of authority and a language barrier (at least half are of Mexican origin, with most of them speaking only Spanish).

Dr. Jessup selected from the camps teams of likely young bilingual Mexican men and women, who were put through a brief and intensive health education course by the State health department and then sent back into the camps. They served not only to educate and care for their fellows but also to help break down the suspicion of outsiders.

OTHER ASPECTS DESCRIBED

Other aspects of the demonstration projects were motorized clinics and night clinics—because the workers fear above almost all else the thought of losing even an hour's work. Special prenatal care programs were set up, as well as sanitation units and visiting nurse services, using Spanish-speaking personnel wherever possible.

As Dr. O'Rourke noted, many of these activities departed from the traditional preventive medicine role of public health services. This fact brought outright opposition, or, at best, only grudging support, from the county medical societies. The only solution offered by most societies was a demand that if the State money must be spent on the migrants, it be used to buy them health insurance.

The projects, nevertheless, never lacked for active participation by individual physicians, scores of whom spent night after night at migrant clinics.

It was the success of these demonstration programs that brought the $1 million Federal grant, to be spent over 2 years. The funds will be used to spread and augment the projects already inaugurated and to add such other efforts as sanitation teams, a bilingual statewide directory of health services, and special prenatal care clinics.

Dr. Merrill has expressed the hope that the Federal grant will serve as "seed" money to stimulate State and county spending. On the other hand, it seems more likely to less optimistic observers that the funds will serve as another excuse for the counties to duck the issue. These observers deem it probable that the health problems of the migrants will become a more or less permanent responsibility—by default—of the Federal Government.

RECESS TO 9 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move, under the previous order, that the Senate stand in recess until 9 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 41 minutes p.m.) the Senate took a recess, under the previous order, until tomorrow, Thursday, December 19, 1963, at 9 o'clock a.m.

EXTENSIONS OF REMARKS

Trust Territories Appropriations

EXTENSION OF REMARKS

OF

HON. ROLAND V. LIBONATI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 18, 1963

Mr. LIBONATI. Mr. Speaker, our own Congressman MICHAEL KIRWAN, dominant, earnest, and practical in his every action, has again shown us why we respect his fine judgment and secure sense of direction. Early in 1961, he visited the trust territories islands, that are managed by the Department of the Interior, under a trustee agreement with the United Nations (formerly administered by the Japanese, since World War I, after the defeat of Germany, who had purchased the scattered islands from Spain).

What he saw there was enough to turn a puritanical heart to stone. Upon his return he went to work, in his own inimitable way, to remedy the sad conditions under which these underprivileged people were living.

Although a study was made by the United Nations, 3 years ago, not one of the other countries of the 14 comprising this group, evinced any interest in joining the United States in its contributory benevolence to solve or alleviate the problems of these 85,000 souls.

At the time of his visit, $3 million was appropriated to meet our obligation.