cattleman, will help see to it that our U.S. meat producers' interests are protected, we sent him the following letter on December 14 last past:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 14, 1963.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We, the undersigned, strongly urge you to chart an immediate program to alleviate the desperate situation now faced by American livestock producers as a result of (1) rapidly increasing imports from foreign sources, particularly of beef, veal, lamb and lamb products; (2) failure of the United States to change to an ad valorem basis; and (3) the fact that the United States is among the most liberal in the world in its agricultural import policies. The United States and Canada are the only two major countries which provide no nontariff protection for domestic producers of livestock.

To stress the importance and the urgency of taking prompt, corrective action, we need only point out to you, Mr. President, that almost one-third of all cash receipts from farming come from the sale of meat animals. Naturally, when you consider that the price of beef dropped from $30 per hundredweight to $22 per hundredweight in the period of a few months, it is evident that the problem of the domestic livestock producer has approached serious proportions, particularly in view of the fact that 1962 red meat imports increased 39 percent over 1961.

The 1964 Outlook Issue, Demand and Price Situation, published by the U.S. Department of Agriculture on November 18, 1963, stated as follows: "Red meat consumption will reach 170 pounds per person in 1963, 6 pounds more than in 1962. U.S. base consumption this year will set a record high of about 95 pounds per person, up from 89 pounds per person last year." It seems completely incongruous that this strengthened demand for meat products is being accomplished in the face of the decline of the American livestock industry. We think that when you stop to consider that more than 1 pound out of 10 pounds of meat going on American tables today is being produced abroad, that the reason for the depressed condition of the livestock industry is clear.

Fresh beef imports increased from 414 million pounds in 1960 to 863 million pounds in 1962. Livestock cattle imports increased from 645,000 head in 1960 to 1,230,000 head in 1962.

Mr. President, we feel that when these facts are associated with the fact that Choice fed cattle are bringing approximately 25 percent less than they did a year ago in the livestock markets of the Middle West, that there is a clear connection.

We would be most happy for an opportunity to sit down with you and present still further facts and figures to completely document the case which we seek to make for immediate executive action. We do not seek to halt all livestock imports, but we do feel that it is imperative that quotas on either a voluntary or involuntary basis be established at once until conditions in the industry can be stabilized and the present ruinous trend of downward prices can be halted. We, of the Congress, then pledge ourselves to work for those legislative solutions that properly lie within the domain of this branch of Government.

Respectfully yours,

JOHN B. ANDERSON, Illinois; BOB DOLE, Kansas; WILLIAM HENRY HARRISON, Wyoming; WILLIAM G. BRAY, Indiana; H. R. GROSS, Iowa; AUGUST JOHANSEN, Michigan; ROBERT T. MCLOSKEY, Illinois; CARLETON J. KING, New York; VERNON W. THOMSON, Wisconsin; DAVE MARTIN, Nebraska; CHARLES B. HOEVEN, Iowa; GARNER E. SHRIVER, Kansas; JOHN J. RHODES, Arizona; MARK ANDREWS, North Dakota; RALPH F. BEERMANN, Nebraska; DURWARD G. HALL, Missouri; E. Y. BERRY, South Dakota; CLIFFORD G. MCINTIRE, Maine; JOHN W. KYL, Iowa; E. ROSS ADAIR, Indiana; CHARLES A. MOSHER, Ohio; FRANK T. BOW, Ohio; DON L. SHORT, North Dakota; BEN F. JENSEN, Iowa; DONALD G. BROTZMAN, Colorado.

SENATE

THURSDAY, DECEMBER 19, 1963

(Legislative day of Wednesday, December 18, 1963)

The Senate met at 9 o'clock a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore, Hon. LEE METCALF, a Senator from the State of Montana.

Rev. Frank H. VanDyck, Jr., D.D., pastor, Trinity Methodist Church, Alexandria, Va., offered the following prayer:

O Thou who madest heaven and earth and sea and all that is in them, we thank Thee that Thou hast created us for days like these. Dwell here a moment now, that we may dwell with Thee.

Keep us from the fears that breed arrogance, and from the type of insecurity that nurtures greed. May we not be satisfied with getting by, nor given to a complacency which presses no demands upon us. Let not our desire to be approved by men precede our will to be approved by Thee.

At this season of the year, when Christmas comes, we rejoice in the revelation of Thyself brought by the Child of Bethlehem. Let not our hearts be busy inns that have no room to receive Him. Give us grace to present to the King the gold of obedience, the incense of lowliness, and the myrrh of healing friendship.

In His name we pray. Amen.

THE JOURNAL

On request of Mr. PASTORE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, December 18, 1963, was dispensed with.

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, in which it requested the concurrence of the Senate:

H.R. 189. An act to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California;

H.R. 393. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H.R. 1182. An act for the relief of Willy Sapuschnin;

H.R. 1355. An act for the relief of Stanislawa Ouellette;

H.R. 1384. An act for the relief of Areti Siozos Paidas;

H.R. 1392. An act for the relief of Irving M. Sobin Chemical Co., Inc.;

H.R. 1403. An act for the relief of Capital Transit Lines, Inc., of Salem, Oreg.;

H.R. 1451. An act for the relief of Frank Mramor;

H.R. 1520. An act for the relief of Jozefa Trzcinska Biskup and Ivanka Stalcer Vlahovic;

H.R. 1521. An act for the relief of Lovorko Lucic;

H.R. 1713. An act to approve an order of the Secretary of the Interior canceling irrigation charges against non-Indian-owned lands under the Klamath Indian irrigation project, Oregon, and for other purposes;

H.R. 1886. An act for the relief of Valeriano T. Ebreo;

H.R. 2818. An act for the relief of Elmer J. and Richard R. Payne;

H.R. 4085. An act for the relief of Tibor Horcsik;

H.R. 4284. An act for the relief of Chrysanthos Kyriakou;

H.R. 4682. An act for the relief of Mr. and Mrs. Fred T. Winfield;

H.R. 4732. An act to change the name of the U.S. Olympic Association to the U.S. Olympic Committee;

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder;

H.R. 5500. An act for the relief of Lt. John P. Mann;

H.R. 5584. An act for the relief of Capt. Ransom C. Aplin;

H.R. 5858. An act relating to the effective date of the qualification of the United Brotherhood of Carpenters and Joiners of America Local Union No. 746 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 5941. An act for the relief of Julian A. Erskine;

H.R. 5982. An act for the relief of Pasquale Fiorica;

H.R. 6182. An act for the relief of Bryce A. Smith;

H.R. 6313. An act for the relief of Stanislaw Kuryj;

H.R. 6320. An act for the relief of Walter L. Mathews and others;

H.R. 6591. An act for the relief of Constantine Theothoropoulos;

H.R. 6876. An act for the relief of Capt. Wilfrid E. Gelinas, U.S. Air Force;

H.R. 7248. An act to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86-194;

H.R. 7499. An act to authorize the Secretary of the Air Force or his designee to convey 0.25 acre of land to the city of Oroville, Calif.;

H.R. 7508. An act to amend title 28, United States Code, to establish jurisdiction and venue for appeals from orders of the Interstate Commerce Commission in judicial reference cases;

H.R. 7533. An act for the relief of Demetrios Dousopoulos;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H.R. 7788. An act for the relief of Jack B. Fisher;

H.R. 7967. An act for the relief of certain individuals employed by the Department of the Air Force at Hickam Air Force Base, Hawaii;

H.R. 8085. An act for the relief of Roy W. Ficken;

H.R. 8171. An act to authorize the Secretary of the Interior to acquire lands, including farm units and improvements thereon, in the third division, Riverton reclamation project, Wyoming, and to continue to deliver water for 3 years to lands of said division, and for other purposes;

H.R. 8323. An act for the relief of 1st Lt. David A. Staver, U.S. Air Force;

H.R. 8344. An act to amend the Railway Labor Act to provide that the terms of office of members of the National Mediation Board shall expire on July 1;

H.R. 8392. An act relating to the effective date of the qualification of the Laborers' Pension Fund of Hudson County, N.J., as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8459. An act to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations;

H.R. 8465. An act to amend the act entitled "An act to organize and microfilm the papers of Presidents of the United States in the collections of the Library of Congress";

H.R. 8673. An act to amend title V of the Federal Aviation Act of 1958 to provide that the validity of an instrument the recording of which is provided for by such act shall be governed by the laws of the place in which such instrument is delivered, and for other purposes;

H.R. 8828. An act for the relief of John T. Cox;

H.R. 8849. An act for the relief of Lt. Col. Nicholas A. Stathis, U.S. Air Force;

H.R. 8930. An act for the relief of certain employees of the Bureau of Indian Affairs;

H.R. 8931. An act for the relief of Maj. Victor R. Robinson, Jr., U.S. Air Force;

H.R. 8999. An act to provide for the settlement of claims of certain inhabitants of the United States living in the area inundated by the sudden floods of the Rio Grande as a result of the construction of the Falcon Dam, and for other purposes;

H.R. 9036. An act to amend the act of October 24, 1951 (65 Stat. 634; 40 U.S.C. 193 (n)–(w)), as amended, relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus;

H.R. 9234. An act to incorporate the Little League Baseball, Inc.; and

H.R. 9334. An act to amend the act of May 21, 1928, relating to standards of containers for fruits and vegetables, to permit the use of additional standard containers.

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 President pro tempore:

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;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1756. An act to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under this act;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 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;

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;

H.R. 1289. An act for the relief of Maria Mereghetti (Mother Benedetta) and Annunziata Colombo (Mother Cherubina);

H.R. 2513. An act 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;

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

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 Falcom Dam on the Rio Grande to authorize the Secretary of the Interior to also market power generated at Amistad Dam on the Rio Grande; and

H.R. 7044. An act to amend Public Law 193, 83d Congress, relating to the Corregidor-Bataan Memorial Commission.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 189. An act to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California;

H.R. 393. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H.R. 7248. An act to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86–194; and

H.R. 7499. An act to authorize the Secretary of the Air Force or his designee to convey 0.25 acre of land to the city of Oroville, Calif.; to the Committee on Armed Services.

H.R. 1182. An act for the relief of Willy Sapuschnin;

H.R. 1355. An act for the relief of Stanislawa Ouellette;

H.R. 1384. An act for the relief of Areti Siozos Paidas;

H.R. 1392. An act for the relief of Irving M. Sobin Chemical Co., Inc.;

H.R. 1403. An act for the relief of Capital Transit Lines, Inc., of Salem, Oreg.;

H.R. 1451. An act for the relief of Frank Mramor;

H.R. 1520. An act for the relief of Jozefa Trzcinska Biskup and Ivanka Stalcer Vlahovic;

H.R. 1521. An act for the relief of Lovorko Lucic;

H.R. 1886. An act for the relief of Valeriano T. Ebreo;

H.R. 2818. An act for the relief of Elmer J. and Richard R. Payne;

H.R. 4085. An act for the relief of Tibor Horcsik;

H.R. 4284. An act for the relief of Chrysanthos Kyriakou;

H.R. 4682. An act for the relief of Mr. and Mrs. Fred T. Winfield;

H.R. 4732. An act to change the name of the U.S. Olympic Association to the U.S. Olympic Committee;

H.R. 5500. An act for the relief of Lt. John P. Mann;

H.R. 5584. An act for the relief of Capt. Ransom C. Aplin;

H.R. 5858. An act relating to the effective date of the qualification of the United Brotherhood of Carpenters and Joiners of America Local Union No. 746 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 5941. An act for the relief of Julian A. Erskine;

H.R. 5982. An act for the relief of Pasquale Fiorica;

H.R. 6182. An act for the relief of Bryce A. Smith;

H.R. 6313. An act for the relief of Stanislaw Kuryj;

H.R. 6320. An act for the relief of Walter L. Mathews and others;

H.R. 6591. An act for the relief of Constantine Theothoropoulos;

H.R. 6876. An act for the relief of Capt. Wilfrid E. Gelinas, U.S. Air Force;

H.R. 7508. An act to amend title 28, United States Code, to establish jurisdiction and venue for appeals from orders of the Interstate Commerce Commission in judicial reference cases;

H.R. 7533. An act for the relief of Demetrios Dousopoulos;

H.R. 7788. An act for the relief of Jack B. Fisher;

H.R. 7967. An act for the relief of certain individuals employed by the Department of the Air Force at Hickam Air Force Base, Hawaii;

H.R. 8085. An act for the relief of Roy W. Ficken;

H.R. 8323. An act for the relief of 1st Lt. David A. Staver, U.S. Air Force;

H.R. 8392. An act relating to the effective date of the qualification of the Laborers' Pension Fund of Hudson County, N.J., as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 8828. An act for the relief of John T. Cox;

H.R. 8849. An act for the relief of Lt. Col. Nicholas A. Stathis, U.S. Air Force;

H.R. 8930. An act for the relief of certain employees of the Bureau of Indian Affairs;

H.R. 8931. An act for the relief of Maj. Victor R. Robinson, Jr., U.S. Air Force;

H.R. 8999. An act to provide for the settlement of claims of certain inhabitants of the United States living in the area inundated by the sudden floods of the Rio Grande as a result of the construction of the Falcon Dam, and for other purposes; and

H.R. 9234. An act to incorporate the Little League Baseball, Inc.; to the Committee on the Judiciary.

H.R. 1713. An act to approve an order of the Secretary of the Interior canceling irrigation charges against non-Indian-owned lands under the Klamath Indian irrigation project, Oregon, and for other purposes;

H.R. 5302. An act to direct the Secretary of the Interior to convey certain lands in the Newton area, California, to Clarence J. Wilder; and

H.R. 8171. An act to authorize the Secretary of the Interior to acquire lands, including farm units and improvements thereon, in the third division, Riverton reclamation project, Wyoming, and to continue to deliver water for 3 years to lands of said division, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8344. An act to amend the Railway Labor Act to provide that the terms of office of members of the National Mediation Board shall expire on July 1; to the Committee on Labor and Public Welfare.

H.R. 8459. An act to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations; to the Committee on Banking and Currency.

H.R. 8465. An act to amend the act entitled "An act to organize and microfilm the papers of Presidents of the United States in the collections of the Library of Congress."; and

H.R. 9036. An act to amend the act of October 24, 1951 (65 Stat. 634; 40 U.S.C. 193 (n)–(w)), as amended, relating to the policing of the buildings and grounds of the Smithsonian Institution and its constituent bureaus; to the Committee on Rules and Administration.

H.R. 8673. An act to amend title V of the Federal Aviation Act of 1958 to provide that the validity of an instrument the recording of which is provided for by such act shall be governed by the laws of the place in which such instrument is delivered, and for other purposes; and

H.R. 9334. An act to amend the act of May 21, 1928, relating to standards of containers for fruits and vegetables, to permit the use of additional standard containers; to the Committee on Commerce.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

The ACTING PRESIDENT pro tempore. Under the order of yesterday, the Chair lays before the Senate House bill 9499, the Foreign Assistance Appropriation Act of 1964, upon which there is limitation of debate and controlled time.

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.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KUCHEL. Mr. President, I submit the amendment which I send to the desk.

I ask unanimous consent that before the amendment is read, I may yield to the distinguished senior Senator from Maine [Mrs. SMITH].

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

TRIBUTES TO SENATOR DIRKSEN, THE MINORITY LEADER

Mrs. SMITH. I thank the acting minority leader very much for yielding to me.

Mr. President, in this closing week of the 1st session of the 88th Congress, I wish to pay my respects to the very distinguished minority leader, EVERETT MCKINLEY DIRKSEN, for whom Members of the Senate have profound admiration and deep affection.

Republicans are most fortunate to have him as their leader in the Senate, not only because of his great wisdom, but also because of his truly amazing patience and kindness to everyone—and at times under the most trying of circumstances.

The American people are, indeed, fortunate to have EVERETT MCKINLEY DIRKSEN as the Senate minority leader, because time and again he has shown that he has no hesitancy to support the position of a Democratic President if he is convinced that position is right—that he has the political courage to go against the position of a majority of his own political party in doing so. He is proud to be a Republican; but he takes greater pride in being an American first, for he puts his country ahead of his political party.

He has an amazing ability to take the brickbats in stride and never to let them divert him from the course of principle to which he has dedicated himself. He has an admirable sensitivity to principle, but an equally admirable disdain for the pettiness of detractors that every public official has.

I salute EVERETT MCKINLEY DIRKSEN for the great American that he is.

Mr. MANSFIELD. Will the distinguished Senator from Maine yield?

Mrs. SMITH. I yield.

Mr. MANSFIELD. Mr. President, I wish to endorse every word the distinguished senior Senator from Maine has just stated about the distinguished minority leader.

Speaking as the majority leader, I could not have a better or more understanding or more tolerant partner than the distinguished Senator from Illinois [Mr. DIRKSEN].

I am delighted that on this occasion the senior Senator from Maine has seen fit to give due credit to this outstanding American, because on more than one occasion he has placed country ahead of party.

He has been the recipient of brickbats which were unjustified.

I look upon him as a great Senator and a great American, and I join wholeheartedly with the senior Senator from Maine in the comments she has made.

Mrs. SMITH. I thank the majority leader.

Certainly the Senate and the American people are very fortunate in having the team composed of the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois [Mr. DIRKSEN] to lead them in the right direction.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may speak before my amendment is read.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized to speak in the time available on the bill.

Mr. KUCHEL. Mr. President, the distinguished senior Senator from Maine has, this morning, voiced sentiments which will be echoed and reechoed by every Member of the Senate.

EVERETT DIRKSEN is a great American. It will be recalled that on many occasions, EVERETT DIRKSEN has stood on this floor and spoken with great vigor and eloquence as a great American, not as a partisan, in the interest of what he believed would best serve the people of the United States and the cause of freedom and liberty among the peoples of the world.

Furthermore, as a partisan he has given those of us on this side of the aisle distinguished and unique leadership.

I would be recreant in the performance of my duty if I did not rise to say that all Senators—both on the Republican side and on the other side of the aisle—concur, without exception, in the excellent and appropriate comments made this morning by the distinguished senior Senator from Maine.

Mr. PASTORE. Mr. President, will the Senator from California yield to me?

Mr. KUCHEL. I yield.

Mr. PASTORE. Mr. President, I wish to join in complimenting the distinguished senior Senator from Maine for her very appropriate tribute to the distinguished minority leader.

She said—and her statement was most significant—that EVERETT DIRKSEN is—before he is a Republican—a great American. Before, afterward, and always, he is a great American.

I remember that only a short time ago, when the Senate was debating the bond issue to sustain the United Nations in connection with the Congo situation, Senator DIRKSEN delivered an address in support of that measure. At that time, I said that I thought the speech he had delivered was one of the most brilliant speeches ever to be made on the floor of the Senate within my memory, and I have now been here for 13 years. I repeat my praise this morning. As a great American, Senator DIRKSEN pointed out the virtues of this great international organization. At that time he said—and his statement remains indelibly in my mind:

> God forbid that the United Nations ever be broken apart. If it ever is, how could it ever be put back together again?

Mr. President, I join in the statement of the distinguished Senator from Maine that before EVERETT DIRKSEN is a Republican, he is a great American.

He is a patriot before he is a partisan—he serves his country before and above any petty, any party, any personal concern.

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. KUCHEL. Mr. President, I ask that the amendment I have submitted be read.

The ACTING PRESIDENT pro tempore. The amendment submitted by the Senator from California will be read.

The CHIEF CLERK. On page 11, in line 10, it is proposed to strike out lines 10 through 18, 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.

And to insert in lieu thereof the following:

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 construction contract 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 contract, except when such nationals or citizens of the United States are not available and qualified to perform such work, or when the President finds that application of this provision would be contrary to the national interest.

Mr. KUCHEL. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from California yield himself time?

Mr. KUCHEL. Yes, Mr. President; I yield myself 4 minutes.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized for 4 minutes.

Mr. KUCHEL. Mr. President, the proposed amendment is self-explanatory. It would be substituted for language which was offered in the committee and was adopted without objection.

The amendment is designed to assure increased use of American and local or indigenous labor of all types, skilled, unskilled, or professional, in carrying out construction projects financed with U.S. foreign aid funds. Where the United States is involved in financing a particular construction contract, this amendment is designed to promote and to encourage the hiring of U.S. citizens or nationals of the local country in carrying out the contract.

The amendment applies only to contracts financed by the United States. It will not interfere with contracts under multilateral arrangements under either economic or military programs when contributions by other countries are involved. The infrastructure of NATO is one such example. Nor will the amendment impair private U.S. borrowing in the use of our own funds. The language provides for a Presidential waiver in case the decision by the executive branch concerns itself with an exceptional situation.

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

Mr. KUCHEL. I yield.

Mr. PASTORE. An amendment was accepted which more or less touches the same subject. The proposed amendment is a modification which I believe would strengthen that amendment. The committee is willing to accept it and take it to conference.

Mr. President, I yield back the remainder of my time.

Mr. KUCHEL. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. PASTORE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. KEATING. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 113, which appears on page 10, lines 9 to 13, as follows:

SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than $6,000,000 may be used during the fiscal year ending June 30, 1964, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

Mr. KEATING. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 10 minutes.

At this point, Mr. KEATING introduced Senate joint resolution (S.J. Res. 140) proposing an amendment to the Constitution to create the offices of Executive Vice President and Legislative Vice President.

(See the remarks of Mr. KEATING relating to the above joint resolution, which appear under a separate heading, following the vote on the pending bill.)

Mr. KEATING. Mr. President, I withdraw my amendment.

The ACTING PRESIDENT pro tempore. The amendment is withdrawn. The bill is open to further amendment.

Mr. MORSE. Mr. President, I wonder if the leadership could advise us as to whether the Senator from South Dakota [Mr. MUNDT] has been notified that we are awaiting for him to present his amendment.

Mr. PASTORE. Mr. President, I understand that the Senator from South Dakota [Mr. MUNDT] would like to present his amendment after consideration of the money amendments is concluded.

Mr. MORSE. When the money amendments are disposed of?

Mr. PASTORE. If there are any such amendments.

Mr. MORSE. Very well. Mr. President, I offer an amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out "$380,000,000" and insert "$300,000,000."

The ACTING PRESIDENT pro tempore. Does the Senator from Oregon yield himself time?

Mr. MORSE. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, the amendment would cut the new funds for supporting assistance from $380 million, the full amount authorized, to $300 million, allowed by the House.

It must be remembered that both the House bill and the Senate committee version would permit the expenditure of $6 million of supporting assistance which was left over from last year. Hence, the committee bill really carries $386 million for this category of giveaway grant aid, whereas my amendment would allow $300 million.

The amendment deals with the problem of grant aid. It is in the field of grant aid that there were hundreds of millions of dollars wasted over the year. Many millions of dollars are now being wasted in this field. The Comptroller General of the United States, in report after report to the Congress, has warned the Congress that there is great inefficiency and waste in the field of grant aid.

In this field the Foreign Relations Committee has done absolutely nothing by way of a followthrough and a follow-up to try to bring an end to waste. It has passed the buck back to AID.

Mr. President, this cannot be denied. The Senator from Ohio [Mr. LAUSCHE] is a member of the committee. The Senator from Missouri [Mr. SYMINGTON] is a member of the committee. Both Senators are now in the Chamber. The Committee on Foreign Relations has had before us the Secretary of State; Mr. Bell, the AID Administrator; and the officials who have been administering this program. The Foreign Relations Committee has been highly critical of the waste and inefficiency in the grant-aid program, yet we end by passing the buck back to the administrators. We slap them on the wrists and we ask them, "Won't you please do something about it?"

Mr. President, they will not do anything about it until we cut the aid. They have no intention of doing anything about it. The Senator from Ohio and the Senator from Missouri know that when we had Mr. Rusk and Mr. Bell before us this year we pointed out report after report which showed the shocking waste in regard to the administrative practices of AID and the overmanning of AID.

Members of the Committee on Foreign Relations have said—and the record will speak for itself—that they have been in various AID centers around the world, and they were of the opinion that there were about twice as many personnel as were needed, and that the waste in connection with personnel was leaving a bad impression.

This is the time to cut. If we leave them $300 million, and take into account what is in the pipeline, it will be more than sufficient.

I talked at breakfast this morning with the Senator from Virginia [Mr. ROBERTSON]. I wish he were now in the Chamber. Were he present, he would agree as to the truth of the report I now make. The Senator pointed out that in this bill what we are really doing is reappropriating some $200 million which has already gone back to the Treasury. Therefore, we are asked not only to add to the authorization as pre-

sented, but also to add another $200 million, says the Senator from Virginia [Mr. ROBERTSON], who is a member of the Appropriations Committee. The Senator said at breakfast this morning:

This bill is not what it appears to be. There is more to it than can be seen on the surface.

I suggest, by this amendment, that this one grant-aid program be cut back to $300 million. I suggest that it be made perfectly clear, by so doing, that we want some savings brought about in the program.

This is the kind of recommendation that the President of the United States ought to be making to the Congress and to the people, rather than the recommendations contained in what I consider to be his most unfortunate letter, which was read to the Senate yesterday. I happen to know that the President himself believes that the inefficiencies in the foreign aid program ought to be corrected.

I say to my President, "Now is the time for you to insist, before you ask for more money. Now is the time for you to say to Mr. Rusk and to Mr. Bell, 'Give me a report on the reports of the Comptroller General of the United States in regard to the wastes in the foreign aid program, and tell me what you are doing to correct this inefficiency and to save some money.'"

The ACTING PRESIDENT pro tempore. The time yielded to the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I yield myself 2 more minutes.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized for 2 additional minutes.

Mr. MORSE. The President should say, "Now is the time for you to correct this inefficiency and waste; and when you get the program cleaned up administratively, saving the great sums of money that the Comptroller General indictates could be saved, we can consider what the total amount of money should be for the next authorization program."

We must remember, Mr. President, that there are not many months left in this fiscal year. In a few more months the AID administrators will be before us with a new authorization bill. From the time standpoint, in my opinion, we cannot justify the huge amount of money that the Appropriations Committee is asking the Senate to provide.

With only a few months left, we ought to cut it back now, and let the AID program, through the Department of State and through Mr. Bell, clean up its own house, and come to us next year and ask for the amount of money that can be justified on the facts. All I seek to do by my amendment is to return to the House figure of $300 million.

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

Mr. MORSE. I yield for a question.

Mr. LAUSCHE. The amendment is directed at the supporting assistance funds. The Senator contemplates reducing the allocation as recommended by the committee from $380 million to $300 million.

Mr. MORSE. Which is the House figure; but AID will end with $306 million, as I have already stated, because $6 million remains unspent from last year, and that is added to the amount provided by the bill. So the amount will be $306 million.

Mr. LAUSCHE. Is not this the sum that is used as a substitute by the recipient countries for the moneys which they spend in maintaining their military forces—that is, the Taiwanians——

Mr. MORSE. Which are bloated, puffed, and wasteful. The Senator mentioned Taiwan. There are more generals in the Taiwanian Army than in the entire U.S. Army. The program is wasteful.

Mr. LAUSCHE. It is argued that this money should be granted because of that expenditure by the foreign governments.

Mr. MORSE. That is the excuse that has been given to us for a long time to justify waste in South Korea. The waste in the Military Establishment is shocking. Does the Senator believe it is very effective in defending freedom in the Pacific? Freedom is going to be defended, not by the Taiwanian Armies, and not by the South Korean Armies, but by the American 7th Fleet, the American Air Force, and the thousands of American boys scattered throughout the Pacific. Does the Senator know what the reports of the battle efficiency of the Taiwanian Army and the South Korean Army are? Most of the indigenous armies could not lick 10 Boy Scouts.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. How much more time have I?

The ACTING PRESIDENT pro tempore. Eight minutes. The Senator has used 7 minutes.

Mr. MORSE. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. When the subject was discussed in connection with the authorization bill, I pointed out that to keep a military man in Taiwan costs $200 a year. In South Vietnam the cost was about $700. In Korea it was about $200. In this country it costs about $5,000 to keep a soldier——

Mr. MORSE. The fallacy in the Senator's argument, may I say most respectfully, is that he makes the assumption that the Taiwanian soldiers and the South Korean soldiers are very good.

Mr. LAUSCHE. That is where we differ. I have received reports; and I have a recent report, that the military men in Korea or Taiwan measure up to the standard of practically any military men in any country.

Mr. MORSE. That is not true on the basis of the Pentagon's own reports. Their battle efficiency runs from 20 to 30 percent. Does the Senator call that efficient? A 20- or 30-percent battle efficiency is no good for defense.

Mr. LAUSCHE. I regret that I cannot agree.

Mr. MORSE. That is in the Pentagon reports.

Mr. LAUSCHE. In my judgment, to cut here would be to cut in a place where it is most unjustified. We had better avail ourselves of the advantage of having countries around the world maintaining men in their military establishments. They may not measure up to our standards, but to the extent that we reduce the number of those military men, we must call our own into service.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. I yield myself 1 minute.

This is not true. This is the heart of the argument. The Senator from Ohio is not correct in the conclusion he reaches. He sincerely believes it, but he is in error. The Taiwanian Army, the South Korean Army—the so-called indigenous armies—are of little value in defending our interests in the Pacific. Our interests in the Pacific are defended by the 7th Fleet, the American air armada, and the American boys scattered throughout the Pacific.

We are using American taxpayers' dollars to support military establishments that are bloated and inefficient and wasteful in those countries—military establishments their own economies cannot possibly support even in peacetime. We should insist that they spend their money for economic rehabilitation and development of their own civilian economies, and that the waste of taxpayers' money in those countries be stopped.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. I yield myself 1 minute. We ought to insist that they reduce the size of their military establishments to a size a little nearer to what their economies will support. A further reason is the undeniable fact that they would be of no help to us in case of a war with Red Russia or Red China. We will not fight another conventional war in the Pacific; we will be fighting a nuclear war if we get into war. I would rather see those countries build dams and irrigation systems and their civilian economies; I would rather export to them bread, and not bullets.

This is a place where we can cut foreign aid and strengthen it.

Mr. PASTORE. Mr. President, I allow myself 5 minutes. The argument just made goes to prove how silly we can be. Insofar as this item is concerned, the revised budget figure was $435 million. In the authorization bill the Senate cut it to $380 million. That action was concurred in by the House.

The Senator is arguing that, for some reason, the $300 million figure the House has decreed in the appropriation bill is a sacrosanct figure.

I point out that 75 percent of this money goes to four countries—Vietnam, Korea, the Congo, and Jordan.

Let me say to my friend from Oregon that the reason why we must give this kind of assistance is that if they do not maintain their own soldiers, the mothers of America will have to send American boys there.

I quite agree that if there is any waste, it must be eliminated; but, in Heaven's name, let us stop throwing out the baby with the bath water. If this program

is wasteful, the $300 million decreed by the House is wasteful. Because the House has fixed a figure of $300 million and the Senate committee has fixed a figure of $380 million—and that matter was debated in connection with the authorization bill—that does not make the House right and the Senate wrong.

We have admonished and impressed upon this administration that it must be frugal and efficient, and that waste must be eliminated. The $380 million figure represents the elimination of the fat and the preservation of the muscle.

I think it would be a crying shame; I think it would be crippling and chaotic, if the figure were reduced to $300 million.

I hope the Senate will go along with the committee, which made a thorough investigation of the subject.

I hope that all the cliches, all the generalities, all the platitudes will not delude the Senate into thinking that the committee which was charged with this responsibility does not know what it is doing.

Mr. MORSE. Mr. President, I yield myself 2 minutes.

Standing here on the floor of the Senate and talking about cliches and platitudes and something being silly, and "throwing out the baby with the water" is a long way from presenting evidence in support of the generalities.

I have said for some years in the Foreign Relations Committee—and it has not been denied—that there is a great deal of waste in this category; but the Foreign Relations Committee, instead of doing something about it, after it had the evidence of the waste, merely told Mr. Rusk, Mr. Bell, and the Pentagon officials that they should do better, and do something about the waste in the program.

I say to the Senator from Rhode Island that it is admitted there is waste to the extent of many millions of dollars. What the Senator from Rhode Island is doing is exactly what the Foreign Relations Committee is doing—passing the buck for another year.

My proposal is to reduce the item by $80 million, and leave it at $300 million, the figure fixed by the House.

Of course, there is waste in the $300 million. However, we are in the position of saying what it is possible to save the American taxpayers, at the moment. The House is willing to go along with $300 million. The Senate ought at least to save the $80 million and go along with the House. As a result of this debate, I am sure the State Department, the Defense authorities, and those in the Pentagon will take a long, hard look before they come forth with their next authorization bill, and will eliminate a great deal of waste. The Senator spoke about the countries to which we are giving support. I say again that we are giving too much to South Korea, to South Vietnam, to Turkey, and to Jordan. That much money is not needed in order to maintain their armies. The amount ought to be cut back for them, as well as for the others who are receiving the other 25 percent of supporting assistance.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MORSE. I yield myself 1 more minute.

Some of those in their armies ought to be put to work in other kinds of programs, as we do in this country, in the development of natural resources.

We cannot justify taxing the American taxpayer to pay practically 100 percent of the cost of the Taiwanian military establishment. It is bloated. It is too big. We have gone into that subject in the Foreign Relations Committee. All the Senator from Oregon is asking is a saving of $80 million, to bring the figure down to the House figure.

I am ready to yield back the remainder of my time. I should like to have a yea-and-nay vote. First I should like to suggest the absence of a quorum, so that enough Senators may be brought into the Chamber to second a request for the yeas and nays.

Mr. PASTORE. Will the Senator yield briefly on my time?

Mr. MORSE. Yes.

Mr. PASTORE. I am perfectly willing to have a yea-and-nay vote, and to have the Senator suggest the absence of a quorum, without the time being charged to either side. The Senator from Ohio would like to speak briefly on the amendment. I would like to have him speak after the quorum call. If that is agreeable, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call be not taken from the time on either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordercd. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. PASTORE. I yield 5 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the Senator from Oregon and I are in disagreement concerning the significance of our allies around the world maintaining military forces. He contends that they are of no aid to our country. My view is that they are. The Department of Defense feels as I do; and so does the Department of State.

On November 13, when this subject was discussed in the Senate, I placed in the RECORD a tabulation of the cost of maintaining military personnel in our country, as compared with maintaining military men in the countries of our allies. The RECORD shows that for the United States to maintain one military man—that is, without equipment and all the other costs that are involved in keeping him equipped—in 1961 the cost was $4,015; in 1962, it was $3,948.

I shall give the 1962 figures, the last ones available.

In Belgium, it is $1,571; Denmark, $2,107; France, $1,906; Germany, $1,689; Italy, $878; Luxembourg, $1,486; The Netherlands, $771; Norway, $1,965; Portugal, $837. I shall not read the entire tabulation, but shall come down to the cost of maintaining military men in South Korea, Vietnam, and Taiwan.

I am sure that the greatest strength that we have in this field, provided by foreign countries, is available in Taiwan, Korea, and probably Turkey and Pakistan. The cost of maintaining a military man in Korea is $247; in Vietnam, $651; in Pakistan, $438.

I cite these figures to show the significance of allowing the amount of $380 million to stand. I have an idea of the number of military men available in South Korea, Taiwan, South Vietnam, Turkey, and Pakistan, but I cannot mention the numbers; they are classified. But if it were necessary for the United States to substitute our own boys for the military men provided by foreign countries, the cost would be, in my judgment, 20 times more than the cost of this program.

If cuts are to be made, they ought to be made in other fields, but not in this area. So far as my studies are concerned, if we eliminate this assistance program, and eliminate the military units of Taiwan, South Korea, South Vietnam, Turkey, Pakistan, and other countries, it will be necessary to enact a law to draft more American boys. It will be necessary to bring them into the military service by the millions. To do that would cost $4,000 a man instead of the $200 a man that it now costs to provide a military man in Taiwan and perhaps somewhat more in South Korea and South Vietnam.

In my judgment, this is not the place to make the cut. I urge Senators to vote against the amendment.

Mr. PASTORE. Mr. President, I associate myself with everything the distinguished Senator from Ohio has said. It would be tragic to cut the program at this point. I hope the Senate will vote to reject the amendment.

Mr. LAUSCHE. Mr. President, may I have included in the RECORD, by unanimous consent, a tabulation showing the comparative costs of maintaining military men in the various nations around the world? An examination of the record will show that it would be absolute folly to substitute our men for the men of the foreign nations who are willing to serve.

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

ANNUAL PER CAPITA MILITARY PERSONNEL COSTS

Cost estimates for countries receiving military assistance shown below are confined to pay, allowances, subsistence and individual clothing. They do not include operation and maintenance expenditures, as no meaningful comparisons could be made due to differing weapons systems and technologies.

For comparative purposes, figures are included for 1961. Principal reasons for changes, where available, are indicated. Changes are primarily due to either new exchange rates, increased pay and allowances, or the proportion of personel in the lower pay grades.

Cost to maintain a soldier

	1961	1962	Net change 1962 versus 1961	Remarks
United States	$4,014	$3,948	−$66	
Belgium	1,571	1,571		
Denmark	1,650	2,107	+457	Increase due mainly to higher pay and bonuses.
France	1,788	1,966	+178	Increase due to higher pay and allowances.
Germany	1,689	1,689		
Italy	960	878	−82	
Luxembourg	1,486	1,486		
Netherlands	832	771	−61	
Norway	1,706	1,985	+279	Increases in all services.
Portugal	435	837	+402	Increase due to higher pay and allowances.
Spain	466	522	+56	Do.
United Kingdom	2,332	2,495	+163	Increase due to higher pay and reduced numbers in lower grades.
Ethiopia	375	483	+108	Increase due to increase in number of students attending schools CONUS and promotions in higher ranks.
Greece	385	389	+4	
Iran	501	564	+63	Increase due to greater number of junior officers and increase in Government retirement contribution.
Libya		670		
Pakistan	437	438	+1	
Turkey	404	427	+23	Increase due to higher pay and allowances.
Korea	219	247	+28	Different exchange rate and small pay increases for noncommissioned officers.
Cambodia	829	842	+13	Increase due to promotions, longevity, and a slight strength increase.
Thailand	406	417	+9	
Vietnam	1,049	651	−398	Decrease due to more realistic exchange rate.
Republic of China	174	177	+3	
Philippines	742	527	+215	Decrease due to decontrol of peso.
Japan	818	850	+32	

Mr. SALTONSTALL. Mr. President, will the Senator from Rhode Island yield me 1 minute?

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

Mr. SALTONSTALL. I commend the Senator from Ohio and the Senator from Rhode Island for what they have just said. This is the last item we ought to consider eliminating in this field. If this part of the program were eliminated, our position would be very much impaired.

Mr. MORSE. Mr. President, I understand I have 1 minute remaining.

Who is talking about doing away with the programs? We are talking about reducing the cost from $380 million to $300 million. We would not be doing away with the program.

We are maintaining 600,000 Korean soldiers at the expense of American taxpayers. Not more than half that number are needed.

In Taiwan there is a sharp conflict within the Taiwanian Army, because native Formosans are used, for the most part, as foot soldiers, while the generals and other officers are Chinese. That produces inefficiency and tensions within the army. The Taiwanian Army would trample itself to death running back from the mainland of China if they faced enemy guns. That is what would happen to the Taiwanian Army.

We are talking about a saving. It would not be necessary to draft one American if those two armies were reduced by 50 percent, because such large armies are not needed there for the defense of freedom in the Pacific. We are already doing that now with the 7th Fleet, our Air Force, the 50,000 American boys in Korea, and the 100,000 American boys in Japan and Okinawa. They are the real defenders of American interests in the Pacific.

What the Senator from Ohio is asking for is pure waste. I am offering Senators an opportunity to save $80 million and have a better program.

Mr. PASTORE. Mr. President, I yield the distinguished Senator from Ohio 1 minute on the bill.

Mr. LAUSCHE. Red China, with 700 million people, has not dared to strike at Taiwan. The reason why that has not happened is quite interesting. It has not happened, of course, because of our 7th Fleet.

Mr. MORSE. You bet.

Mr. LAUSCHE. But it has also not happened because there are 600,000 Taiwanese under arms. If the Taiwanian Army were to be reduced, I could not agree that we would not finally have to find soldiers elsewhere.

The Department of Defense says that this program should be maintained.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Colorado on the bill.

Mr. ALLOTT. Mr. President, I support all that the distinguished Senator from Ohio and the distinguished Senator from Rhode Island have said. If we are to go through the bill and take the figures the House placed in it, the Senate Committee on Appropriations has spent weeks fruitlessly. The point is that those military personnel are needed. I do not care how often it is said that they are not needed in Taiwan, South Korea, South Vietnam, and the other places that were mentioned. They are needed. The only alternative to stabilizing that particular corner of the world is to place American troops there. A great number of American lives may be saved for $80 million. That is what Senators will be voting for when they vote to retain the Senate figure. This is one item that we should not consider cutting further.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island will state it.

Mr. PASTORE. A vote to sustain the committee is a vote in the negative—a nay vote?

The ACTING PRESIDENT pro tempore. The Senator is correct.

All time has expired. The question is on agreeing to the amendment of the Senator from Oregon. 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 Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. [HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PELL], 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 California [Mr. ENGLE], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PELL], the Senator from Tennessee [Mr. WALTERS], and the Senator from Tennessee Mr. GORE would each vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Colorado [Mr. DOMINICK], 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 Kentucky [Mr. COOPER] is detained on official business.

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Kentucky 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."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 28, nays 55, as follows:

[No. 275 Leg.]

YEAS—28

Anderson	Goldwater	Proxmire
Beall	Gruening	Robertson
Bennett	Hruska	Russell
Bible	Johnston	Talmadge
Byrd, Va.	Jordan, N.C.	Thurmond
Cannon	Long, La.	Williams, Del.
Cotton	McClellan	Young, N. Dak.
Curtis	Miller	Young, Ohio
Ellender	Morse	
Ervin	Mundt	

NAYS—55

Aiken	Hickenlooper	Morton
Allott	Holland	Moss
Bartlett	Humphrey	Muskie
Bayh	Inouye	Nelson
Boggs	Jackson	Neuberger
Brewster	Javits	Pastore
Burdick	Jordan, Idaho	Prouty
Byrd, W. Va.	Keating	Randolph
Case	Kennedy	Ribicoff
Church	Kuchel	Saltonstall
Clark	Lausche	Smathers
Dirksen	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McGee	Stennis
Edmondson	McGovern	Symington
Fong	McIntyre	Williams, N.J.
Fulbright	Mechem	Yarborough
Hart	Metcalf	
Hayden	Monroney	

NOT VOTING—17

Carlson	Hartke	Pell
Cooper	Hill	Scott
Dominick	Long, Mo.	Simpson
Eastland	Magnuson	Tower
Engle	McNamara	Walters
Gore	Pearson	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. KUCHEL. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send an amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out the numeral and to insert in lieu thereof "$350 million."

The language on page 2, lines 14 and 15 of the bill, is as follows:

Supporting assistance: For expenses authorized by section 402, $380,000,000.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, my amendment would cut $30 million from the amount in the bill for supporting assistance. I have listened with a great deal of interest to the statement made by the Senator from Ohio [Mr. LAUSCHE], but with all due respects, that same statement has been repeated time after time in this Chamber and by the witnesses from the executive branch who have paraded before the Senate Appropriations Committee.

But the fact remains that if we continue to give assistance to the people of Korea, Taiwan, South Vietnam, Europe, and other parts of the world, there is no doubt in my mind that our military authorities and our President will be unable to get our allies to assist us in sharing the burden. We have been in South Korea for more than 14 years. The South Korean economy depends entirely upon the United States. In addition, we have 2 divisions in Korea, and we are also maintaining the 18 Korean divisions.

In order to give the operation an appearance of United Nations action, there are present about 500 soldiers consisting of a Turkish brigade, a few men from Ethiopia, a few from England, and a few from Canada. But to add insult to injury, there is in the bill a provision for money to pay the logistics for these soldiers that I have mentioned, except the few from England and Canada.

If the amount that the distinguished Senator from Ohio mentioned were the only sum given to South Korea, I would say good and well, but we have already furnished to that area of the world over $5.5 billion. It is time for us to take note of that fact, and try to get our allies to assist us in the area. This money is not directly for supporting assistance as it is dubbed in the bill. It is just another form of economic assistance. Aside from the amount under discussion, we are furnishing millions of dollars to South Korea to enable the country to purchase all of its military hardware. We do not receive one iota of assistance from any of our allies. And remember, we have two divisions there.

I refer to the case of Taiwan. On that little island that one can almost jump across we have spent $4½ billion. We have been maintaining the economy of free China ever since it was taken over from the Japanese.

As the distinguished Senator from Oregon stated, a large force was established there in the beginning. Chiang Kai-shek wanted some day to attack the mainland. He wished to retain Quemoy and the other islands as stepping stones toward the accomplishment of this objective. The record shows that these islands were to be retained for about 2 years in order to afford Chiang Kai-shek the opportunity, if ever presented, to return to the mainland.

Mr. President, if Taiwan is valuable to the free world, why are we there alone? We heard the same cry last year we are hearing now as to the necessity for these so-called supporting assistance funds, but the administrators could not obligate all the money provided. There was more than $6 million that could not be spent.

Senators know how this supporting assistance was distributed last year. I showed this information to the Senate when the authorization bill was being considered. It was stated, when the program was presented and justified to us, that $125 million was badly needed in Korea. What did the administrators do? They ended by giving $90 million to Korea.

It was stated that $140 million was needed for South Vietnam. But they cut that figure back to $120 million. What did they do with the money? A large part of it was diverted to Indonesia. Indonesia was to receive only $2½ million, but our administrators raised the amount to $21.9 million.

When the supporting assistance fund was presented to the Senate last year, a hue and cry was raised: "If we cut it back it will hurt Korea, it will hurt southeast Asia."

So long as Congress provides all the money requested in order to maintain the status quo, we cannot expect our rich allies to come to our aid. So long as we spend all the money asked for they will say, "Let Uncle Sam do it." That is the attitude they have assumed. There are billions of dollars now in the pipeline, and now we are adding more millions to continue it.

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

Mr. ELLENDER. I yield for a question.

Mr. ROBERTSON. The Senator referred to the pipeline. By the "pipeline" does the Senator mean money which has been appropriated and allocated but not actually spent?

The ACTING PRESIDENT pro tempore. The time yielded by the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 4 more minutes.

How much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana has 5 minutes remaining.

Mr. ROBERTSON. By "pipeline" does the Senator mean money which has been appropriated and allocated but not actually spent?

Mr. ELLENDER. Yes. Money available for use.

Mr. ROBERTSON. For use?

Mr. ELLENDER. The money in the pipeline can be reallocated if the administrators decide to do so. They can deobligate and reobligate these funds. In fact, authority is granted in this bill to permit them to do exactly that.

Mr. ROBERTSON. Is it not true that the total in the pipeline exceeds $7 billion?

Mr. ELLENDER. That is an overall figure, for supporting assistance the pipeline is $365 million.

Mr. ROBERTSON. I mean for military, economic, and all other aid.

Mr. ELLENDER. The Senator is correct. I have the precise figures before me now and they show that the pipeline totals $6,916,993,490.

Mr. PASTORE. In this category?

Mr. ELLENDER. No; overall.

Mr. PASTORE. Of course not.

Mr. ELLENDER. Overall.

Mr. ROBERTSON. The reports in the press are that the bill is a $3.3 billion bill. Is it not true that the bill would authorize the reappropriation of $209 million which was appropriated last year for actual use, and which went back into the Treasury?

Mr. ELLENDER. Two hundred and nine million dollars.

Mr. ROBERTSON. If we add that amount, it is a bill involving $3.5 billion-plus.

Mr. ELLENDER. That is correct.

Mr. ROBERTSON. If we add that to the $7 billion, would it not make it the largest amount we have ever had for foreign aid in the pipeline and in the appropriation?

Mr. ELLENDER. I would not say that, because at one time the pipeline was much greater, and at various times Congress has appropriated greater amounts than the $3.5 billion. However, in some years we have appropriated less than this amount.

The fact remains that there is now in the pipeline for this item alone over $365 million.

Mr. MORSE. Mr. President, will the Senator yield me 30 seconds?

Mr. ELLENDER. In one moment.

Of the total amount requested for supporting assistance, the report from the House shows that only $246 million is to be used for the support of a common defense. The remainder of the money is for economic grant assistance to countries not on the periphery of the Communist countries.

The program is unending, and it is time for us to begin to cut corners. It is the only way we can induce our allies perhaps to assist us. If we supply all the money and military equipment, how can we expect our allies to say, "We will help you"? They will lean on the shoulder of Uncle Sam as long as we permit them to do so.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PASTORE. Mr. President, I yield 2 minutes of my time to the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. On the amendment?

Mr. PASTORE. On the amendment.

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

Mr. ELLENDER. I yield.

Mr. ROBERTSON. In view of the fact that the bulk of this assistance will go to nations in the steaming jungles of southeast Asia and Africa, is it true that if we take the percentage fixed from July 1 to December and use the same ratio of aid as was used last year, the Congress will give the administration $40 million over and above what was spent, on that basis?

Mr. ELLENDER. The Senator is correct. It will be over $44 million, as I pointed out to the committee. I submitted a proposal to the committee to stay with the total amount provided by the House but it was rejected.

Mr. MORSE. Mr. President, I yield myself 1 minute on the bill.

The most significant fact that has occurred in the debate on this issue is that on the vote on my amendment, which sought to cut $80 million, the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee, voted for the amendment. He is also a member of the Appropriations Committee. In my judgment, the vote of the chairman of the Senate Armed Services Committee is a devastating answer to every argument that has been made today asserting that the defense of the United States calls for maintaining this wasteful expenditure.

We can take judicial notice that the Senator from Georgia, chairman of the Armed Services Committee, is not voting to jeopardize the defense position of this Nation. His position knocked into a cocked hat the argument that we must do that in order to protect this country. That amendment would have saved the taxpayers $30 million.

Mr. PASTORE. Mr. President, I yield 2 minutes on the bill to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, I voted for the previous amendment and I shall support this amendment. I am confident that the $300 million approved by the House was not arrived at without careful consideration of our requirements. I ask unanimous consent that the portion of the House report on supporting assistance contained on pages 17 and 18 of the report be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. MILLER. I believe that the Senate Appropriations Committee has not given sufficient consideration to the amount of money in the pipeline for supporting assistance, which was $365,521,000 as of June 30, 1963. No mention of this is contained in the committee's report. When added to this pipeline fund, the $300 million approved by the House would furnish over $600 million for supporting assistance. I happen to believe in the principle of supporting assistance. It is merely a question of judgment over how much should be furnished for it, and I believe that considering the pipeline amount, the $380 million figure approved by Senate Appropriations Committee is too high. The amendment now pending which would reduce this amount to $350 million could hardly be said to "cripple" our supporting assistance program—particularly when considered in light of the amount in the pipeline.

EXHIBIT 1

SUPPORTING ASSISTANCE

1964 estimate	$435,000,000
1964 authorization	380,000,000
Recommended for 1964	300,000,000

Supporting assistance, according to data contained in the summary presentation, is that part of the economic aid program which is directed primarily toward meeting immediate political and security objectives.

The budget proposed a program funded by this appropriation for 18 countries and the CENTO organization for the following purposes:

(a) Support for common defense (Korea, Thailand, Turkey, Vietnam and CENTO)	$256,000,000
(b) Maintenance of economic stability (6 countries)	114,000,000
(c) An alternative to bloc aid (5 countries)	51,000,000
(d) Access to the U.S. military bases (Libya, Trinidad and ———)	24,000,000
Total	445,000,000

In addition to this supporting assistance program, the budget proposed other economic and military assistance programs which amount to a minimum of $954,398,000 for the same 18 countries and CENTO.

The committee recommends an appropriation of $300 million for the supporting assistance program for fiscal year 1964. This is $80 million below the amount authorized for the current fiscal year.

In connection with the supporting assistance estimate which is to provide access to military bases in Libya, Trinidad, and ——, the committee is of the opinion that this portion of the estimate in future years should be budgeted under the Department of Defense appropriation estimates.

A practice that is causing concern to the committee is the extending of supporting assistance grant aid to countries that are more or less in a financial straitjacket trying to pay off their debts to bloc countries. The following testimony from page 729 and 730 of part 3 of the printed hearings is pertinent:

"Mr. MONTOYA. I want to expedite this because I have to go and vote, but you do mention that Guinea is more or less in a straitjacket because of the previous loans Russia has extended to that country?

"Mr. HUTCHINSON. They do have heavy debt-servicing burdens.

"Mr. MONTOYA. Then are we supposed to use our dollars to extricate Guinea from that situation?

"Mr. HUTCHINSON. We hope to provide them some ability to get them somewhat extricated.

"Mr. MONTOYA. Is this not a new concept?

"Mr. HUTCHINSON. This is a concept that is most appropriate, it seems to me.

* * * * *

"Mr. MONTOYA. They are using their revenues for repayment of the Russian debt and we are giving them supporting assistance?

"Mr. HUTCHINSON. In their requirements for imports, in small amounts, with the full expectation that this is a short-term arrangement."

An example of the types of projects financed by this appropriation is the Khmer-American Friendship Highway in Cambodia. According to the testimony the original estimate of cost of this project was $15 million. A contract for construction was awarded on May 5, 1955, at a cost of $18 million. By the time the highway was completed in June 1959, the cost had risen to approximately $30.9 million. Immediately after completion of construction portions of the highway began to deteriorate, and since that date the United States has obligated a total of $13.4 million for repairs with an additional cost of approximately $1.2 million in fiscal year 1964 and future years. Thus, the total cost of this project is now estimated to be $45.5 million, an increase of over 300 percent in the original estimate.

Another practice of the AID agency that causes the committee some concern is the practice of committing millions of dollars to

a Government or a project. While the committee recognizes the value to the United States of honoring its commitments, it questions whether these commitments should hold firm despite a change in government—legally or illegally, or a lack of desire on the part of the recipient government to cooperate in the successful liquidation of the commitment. For example, the President in 1959 committed the U.S. Government to finance the Rangoon-Mandalay Highway project in Burma at a cost of $28 million. Since that date expenditures have been as follows:

Fiscal year:	*Expenditure*
1960	$541,000
1961	127,000
1962	212,000

In fiscal year 1963 AID obligated approximately $9,100,000 for the project and the estimate for 1964 is $19 million on the assumption that AID can reach agreement on engineering questions on a particular segment of the highway. Obviously, the 1964 estimate is still not firm. Anticipated expenditures in fiscal year 1964 are approximately $1,800,000.

Mr. PASTORE. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. LAUSCHE] on the amendment.

Mr. LAUSCHE. Mr. President, the argument made by the Senator from Oregon is that proof that the amendment should have been adopted is the fact that the Senator from Georgia [Mr. RUSSELL], on the last amendment, voted against the committee. I find difficulty in trying to reconcile the logic of the Senator from Oregon in using the Senator from Georgia as the final authority on how this issue should be decided. Other issues will be coming before this body in the next 2 months as to which I am sure the Senator from Oregon and the Senator from Georgia will be in disagreement. I wonder what the view of the Senator will be then as to the extent to which that advice should be followed.

Mr. MORSE. Mr. President, will the Senator yield me 30 seconds?

Mr. LAUSCHE. No——

Mr. MORSE. Ten seconds?

Mr. LAUSCHE. I yield.

Mr. MORSE. On this particular issue no Senator is as competent and qualified to testify in regard to the armed services needs of this Republic as is the Senator from Georgia. On this issue I salute him. Of course, I will disagree with him in other areas in which I do not think he is a particularly competent witness.

Mr. LAUSCHE. Mr. President, in the time I have been a member of the Foreign Relations Committee, I have listened to the Chiefs of Staff testify on the foreign aid program. Each time it has been stated that the Far East is our first line of defense. If the situation is weakened there, the battle line is brought closer to the shores of the United States.

In the hearing on the bill I discussed the subject of support assistance. I heard the argument made by the Senator from Oregon, and I then put to Secretary McNamara certain questions. They were put to him in writing. Those questions dealt with Vietnam, Thailand, the Republic of China, Korea, Greece, Turkey, Iran, and Pakistan. I asked the Secretary of Defense, "If it is not classified information, will you tell the committee how many troops are maintained by those eight countries?" The answer was that the total number of troops maintained by the eight nations mentioned is 2,793,828.

It may be argued by the Senator from Louisiana and the Senator from Oregon that 2,800,000 troops in that area, friendly to our cause, mean nothing. I am unwilling to accept that argument.

I feel a bit of comfort in the knowledge that in those countries there are practically 2,800,000 men in uniform. Would we feel better if they were not there?

To me, this is the most economical part of the foreign aid bill.

The administration asked for $4,734 million—

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LAUSCHE. May I have 2 more minutes?

Mr. PASTORE. I yield the Senator from Ohio 2 more minutes.

Mr. LAUSCHE. The administration asked for $4,734 million. The House granted $3,010 million. Our committee recommended $3,005 million. If what has happened in the past happens again in conference, the administration will be given $3,250 million—$1,500 million less than has been asked.

I have not subscribed to the foreign aid program in full, but I respectfully submit that a cut of $1,500 million is substantial.

In my judgment, the amendment ought to be defeated. If cuts are to be made, let us make them in other areas, but not in this one, which is an economic area important to our country.

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

Mr. PASTORE. I yield 3 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, as I have said before in the debate, supporting assistance, in my opinion, is one of the most important parts of the bill. Supporting assistance is divided into four categories: Support for common defense, maintenance of economic stability, alternative to excessive dependence on bloc aid, and access to U.S. military bases.

Of these four items, at least 60 percent is for the support of common defense. About 18 percent is the supporting assistance we give to Far Eastern countries. That is 18 percent of the entire AID budget.

We know that today the Far East is one of the most troublesome places that we must consider. Korea and South Vietnam are in the news constantly, particularly South Vietnam. As I have said, supporting assistance is of the utmost value in this bill. I would rather see some of the other items cut, if we must cut them, but not this item.

Mr. Frank K. Sloan, the Deputy Assistant Secretary of Defense testified:

In conclusion, I want to stress that in the Far East we find ourselves confronting aggressive Communist power—political, economic, psychological, and military. The United States and its allies are engaged in a war against this power. In Vietnam, the war is a shooting one, while in Korea we have a state of uneasy suspended war. Open hostilities could spread to other areas. Laos is a likely possibility. The United States can neither afford to lose in southeast Asia nor to invite aggression in the northern arc of the area. Vital and direct U.S. interests are at stake.

We know that much of this assistance goes into the so-called hamlet program, which may or may not be of value, but which we believe is of great value in the South Vietnam situation. Therefore, as I have said, this support assistance goes to support common defense, the maintenance of economic stability, is the alternative to excessive dependence on bloc aid, and gives access to U.S. military bases.

I hope the amendment of the Senator from Louisiana, for whom I have great respect, but with whom we agree to disagree, will be rejected.

Mr. MORSE. Mr. President, I yield 2 minutes on the bill to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I have listened to the discussion with great interest. As I understand the arguments of some of the proponents of the bill, it is still necessary for this country to, in effect, bank freedom, all over the world, regardless of what anyone else does on this matter in other countries. As example, 10 years ago we had 250,000 troops in Germany. The Germans did not have any troops in uniform. Today the Germans have 400,000 troops in their army; and we still have 250,000 troops in Germany.

This Nation is banking freedom, in Europe, in the Middle East, in southeast Asia, and in the Far East.

The question would seem to be, How long can we continue to put so much of our resources into so much of this often unilateral banking, regardless of what so many of the other countries do to defend themselves?

More than 2 years ago, in South Vietnam, when I was with the general who is now Chairman of the Joint Chiefs of Staff, I presented that the way we were handling that matter out there would never work out in the long run.

I believe that our position in Cambodia is serious. Obviously we are having very difficult troubles in South Vietnam. So far as Taiwan is concerned, I was impressed with the analysis made by the distinguished senior Senator from Louisiana.

Those of us who are coming to realize the significance of having a net of $4 billion in gold to support some $25 to $28 billion of current liabilities callable in gold, held by foreign countries, half in the Common Market, are wondering how long we can afford, regardless of what other countries do, to so bank freedom all over the world. No country in world history has that amount of treasure to put out this way indefinitely.

I will support the amendment of the Senator from Louisiana, believing the treasure—the gold reserves—of the United States cannot continue to go out of the country, while country after country continues to build up its gold reserves, in effect, at the expense of this country. We have reached the point where we should take a new, hard look at this entire situation. Economic control of our country, in the opinion of many experts, is moving away from the shores of our country.

Mr. PASTORE. Mr. President, I yield myself 5 minutes. I do not believe any Senator feels we should not take a good, new, hard look at the foreign aid program. No one is more in favor of that than the senior Senator from Rhode Island. After 3 weeks of debate in the Senate on the authorization bill, the Appropriations Committee analyzed and scrutinized the pending bill. It voted to report a bill of $3.5 billion. I do not care what is said on the floor; $3.5 billion is less than we spent last year for foreign aid. This year we are appropriating less than was spent during the previous fiscal year. The bill has been scrutinized by the Appropriations Committee in all its aspects. No member of the committee wants to give money away, any more than does the Senator from Louisiana or the Senator from Oregon. All of us love America. I caution and admonish Senators to hearken to what the President said in a letter to the chairman of the committee as late as December 17, 1963. This is what he said:

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—

This is the judgment of the man who is charged by the Constitution with the responsibility of conducting the foreign policy of this Nation—

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.

What are we doing today? What is the argument that is being made? It is that we do not need this money in Korea; we do not need it in Vietnam; we do not need it in the Congo; we do not need it in Jordan.

The only reason why we are giving economic assistance to those countries is that if we do not do it, they will fall apart and will be unable to provide their soldiers. Every dollar we cut out of this category might mean that some mother's boy in America will have to shoulder a musket, somewhere, sometime, to protect our very security.

This is the cheapest way to provide for our defense. I realize that it is more palatable to cut out $30 million than it is to cut out $80 million. Perhaps certain Senators will feel that in their conscience they can go along with a $30 million cut rather than with an $80 million cut. To me it represents yesterdays' hamburger, only a little bit warm over. The amount that was authorized in the authorization bill was $380 million. No Senator can justify in detail every nickel of it, nickel by nickel I agree. However, the President of the United States, a man who has come into this very sensitive authority and responsibility at a very critical time, has said for the record: "I need this."

I want to give to Lyndon Johnson everything he needs to be a great President. If there is any doubt in my mind, or in anybody's mind, in the name of good reason, for the sake of this country, give the benefits of that doubt to the President of the United States. I hope the Senate will reject this amendment.

Mr. MORSE. Mr. President, will the Senator yield me 1 minute on the bill?

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

Mr. MORSE. When the President wrote that letter, he got into the saddle backward and started riding backward, riding away from his previous announcement of economy. He cannot reconcile this request for the maximum, which involves a large amount of waste in foreign aid, with his previous statement about economy. It cannot be reconciled, either, with what is known as the President's position in regard to foreign aid, for the President knows there is waste in foreign aid and he is said to be taking steps to try to eliminate waste. His letter cannot be reconciled with the steps he is taking within his own administration to eliminate waste. We ought to eliminate $30 million of it.

In reply to the Senator from Ohio: If those countries are not able to support their armies in peacetime, how many billions of dollars would we have to give them, if we got into a war, to support their armies in time of war? Let us face the issue: If we got into a war, we would not use the Chinese Army; we would not use the South Korean Army. They would be worthless. They would have to be fed, clothed, and supplied by the United States just as if they were our own. But we would not do that. We would use American military might to defend America. Let us stop wasting money in time of peace. If those countries cannot support their armies in time of peace, what would they do in time of war?

Mr. PASTORE. I wish to reply to what the Senator from Oregon has just said, because the President's letter does not at all indicate what the Senator has said. I read from paragraph 3 of the President's letter:

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 emphasize this statement in the President's letter. This is the President speaking, not Senator PASTORE:

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.

Mr. MORSE. That is where the President rides off backward.

Mr. PASTORE. Is the Senator from Oregon speaking on his time or on my time?

Mr. MORSE. On the time of the Senator from Rhode Island.

Mr. PASTORE. Let the Senator from Oregon speak on his own time. I continue to read from the President's letter:

I assure you that we have already undertaken and will intensify our efforts to make this program effective and efficient.

I say to my friend from Oregon: "Please do not throw out the baby with the bath water."

The ACTING PRESIDENT pro tempore. The time of the Senator from Rhode Island has expired. All time has expired. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER]. 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 Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], 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 Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Mississippi would vote "yea" and the Senator from California would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Colorado [Mr. DOMINICK] 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.

If present and voting, the Senator from Kansas [Mr. PEARSON] would vote "yea."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado 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 34, nays 53, as follows:

[No. 276 Leg.]

YEAS—34

Anderson	Gruening	Proxmire
Beall	Hickenlooper	Robertson
Bennett	Hruska	Russell
Bible	Johnston	Stennis
Boggs	Jordan, N.C.	Symington
Byrd, Va.	Jordan, Idaho	Talmadge
Cannon	Long, La.	Thurmond
Cotton	McClellan	Williams, Del.
Curtis	Mechem	Yarborough
Ellender	Miller	Young, N. Dak.
Ervin	Morse	
Goldwater	Mundt	

NAYS—53

Aiken	Hartke	Monroney
Allott	Hayden	Morton
Bartlett	Holland	Moss
Bayh	Humphrey	Muskie
Brewster	Inouye	Nelson
Burdick	Jackson	Neuberger
Byrd, W. Va.	Javits	Pastore
Case	Keating	Pell
Church	Kennedy	Prouty
Clark	Kuchel	Randolph
Cooper	Lausche	Ribicoff
Dirksen	Mansfield	Saltonstall
Dodd	McCarthy	Smathers
Douglas	McGee	Smith
Edmondson	McGovern	Sparkman
Fong	McIntyre	Williams, N.J.
Fulbright	McNamara	Young, Ohio
Hart	Metcalf	

NOT VOTING—13

Carlson	Hill	Simpson
Dominick	Long, Mo.	Tower
Eastland	Magnuson	Walters
Engle	Pearson	
Gore	Scott	

So Mr. ELLENDER'S amendment was rejected.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 3, in line 4, before the words "to remain available", it is proposed to strike out "$800,000,000", and to insert in lieu thereof "$600,000,000".

Mr. ELLENDER. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Louisiana yield himself?

Mr. ELLENDER. I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 15 minutes.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to provide the amount voted by the House—$600 million—for the Development Loan Fund.

As will be noted from the report, the Senate Appropriations Committee voted to add $200 million to this item. I seek to have the bill reduced to provide the House figure, $600 million, which I believe is ample for the Development Loan Fund.

Mr. President, we have now been engaged in programs of foreign aid for almost 15 years; and the amount we have spent since the Marshall plan—which would include the proposed amounts being appropriated by this bill—comes to $109 billion. This is in excess of one-third of our present debt.

Mr. President, the money we have spent during this period has been made available to the various areas of the world as follows:

To Latin America, $8.960 billion.

To the Near East and south Asia, $22.277 billion.

To the Far East, $24.509 billion.

To Africa—where we are just starting—$2.786 billion.

To Europe, $45.585 billion.

Administrative expenses have been $932 million.

Nonregional programs, which are scattered throughout the world, $3.834 billion.

Undistributed programs, $160 million.

I cite these figures to indicate the vast sums that have been appropriated over the years to assist our friends across the seas. Of course, most of this huge total was spent to assist Western Europe, so that it could restore its economy after having been devastated by a cruel war.

Mr. President, when I voted for the Marshall plan, I thought it was incumbent upon us to give assistance to wartorn countries of Europe in the hope that we could rehabilitate their economies. In time, it was expected that Europe would assist us in carrying the load in other parts of the world.

Now times have changed, but in this bill for the benefit of our far more prosperous allies in Western Europe, there is in excess of $200 million. This sum is present, supposedly, to fulfill certain promises we made in the past.

It is a peculiar situation. When we call upon our allies to do certain things, they do not mind violating their promises. But if we make promises, we must toe the mark.

As I have pointed out on many previous occasions, there is almost no one in South Korea today except 2 divisions of American boys and 18 divisions of Republic of Korea troops that we are supporting without assistance coming from any source. The same situation is found in Taiwan and in southeast Asia. It seems that we cannot get assistance from any of our allies. I do not blame them simply because Congress has voted year after year huge sums of money which makes it completely unnecessary for our so-called allies to "pony up."

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

Mr. ELLENDER. I yield.

Mr. MUNDT. I congratulate the Senator for discussing the Development Loan Fund, because, unbeknown to most of our constituents at home, what is known as the Development Loan Fund has become merely a disguised grant fund at three-quarters of 1 percent interest—deferred interest if the borrowers do not start to repay at once. There is no stipulation for amortizing the loan, which I submit is virtually a grant.

Mr. ELLENDER. The Senator is absolutely correct.

Mr. MUNDT. Because our constituents do not like to see their money given away, they are told it is a loan. When the distinguished Senator from Ohio [Mr. LAUSCHE] and I succeeded in putting the Foreign Relations Committee in a mood of sober consideration to increase the loan rate to 2 percent—which is still less than we charge our own veterans in America, and 2 percent is the prevailing REA rate—the State Department officials came down in hordes and worked on members of the Foreign Relations Committee so that they changed their opinions, and on subsequent rollcall votes in the committee, gradually the rate was reduced to practically 1 percent.

The proposal is a giveaway under the guise of a loan. If we wish to give those countries a grant, let it be called a grant. Let us be honest with the taxpayers. Let us not tell them it is a loan when it is actually a grant, because three-quarters of 1 percent is demonstrably less than the service charge for servicing the loan.

Mr. ELLENDER. The Senator from South Dakota has anticipated me. I expected to show the type of assistance our friends in Western Europe is making available to the underdeveloped countries of the world.

Mr. MUNDT. And where they are charging the prevailing high rate of interest.

Mr. ELLENDER. Yes.

Mr. MUNDT. We are deceiving the people by not telling them what a loan is.

Mr. ELLENDER. One thing the Senator from South Dakota must not overlook is the fact that not only are the loans made on a commercial basis by our allies, but also, they will not make such loans unless they are directly interested in the particular countries in which the loans are made. That is the situation.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. ELLENDER. I am glad to yield to the Senator from Rhode Island, provided the time is charged to him.

Mr. PASTORE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PASTORE. Is it not a positive fact that this money is not loaned to the recipient countries so that they can reloan it for usurious interest? More than 95 percent of the money that is loaned is for merchandise and commodities bought in the United States of America and made by American labor. Then the borrowing country must pay it back. The idea of usurious interest is a fallacy and a misstatement of fact. It simply is not the case. This money is loaned on commodities and merchandise made in the United States and sent to the recipient countries, and they must pay it back. If the merchandise purchased is not made by American labor, I should like to have someone correct me.

Mr. ELLENDER. I wish it were possible for our own people to obtain the merchandise to which the Senator from Rhode Island refers, and have 40 years to pay back the loan at three-quarters of 1 percent interest.

Mr. PASTORE. I will get to that point.

Mr. ELLENDER. Another point that my good friend has overlooked is the fact that the money is loaned, it is true, but it is unable to find its way to the Treasury. The repayments, if they are ever made, will become a part of a revolving fund. It can be reloaned as it is collected.

All of us know that this money is supposed to be used for underdeveloped countries. That is the story told to us. Yet what do we find?

In 1963 two loans totaling $45 million were made to Israel. Were they made on commercial terms? Were they made at a rate of interest that we must pay? No. They were made at a rate of interest of three-quarters of a percent, 10 years of grace, and with 40 years to repay.

Let me present some facts on the economic situation in Israel. Israel is not an underdeveloped country, by any means. The Israelis have achieved a rapid rate of economic growth. Their gross national product has risen 10 percent per annum over the past several years, and it is anticipated that this growth rate will be maintained. The per capita output in Israel already exceeds the level attained by some European countries, and is comparable to that of many industrialized countries. The per capita gross national product has risen from $734 in 1959 to $853 in 1962. On top of this the Israeli gold has increased from $87 million in 1957 to $498 million in 1962—a period in which we were making them low interest loans.

Despite this, we are still loaning borrowed dollars to Israel, repayable over a period of 40 years, at three-quarters of a percent interest.

The administrator who did that last year should be kicked out of office, in my opinion, because the purpose of these loans is supposedly to assist underdeveloped countries. These funds are not to be used as handouts to the developed nations.

Israel's present level of gross investment approximates 25 percent of gross national product, which rate I believe is exceeded only by Japan's.

I cite this one instance to indicate that the money, when available, will be used for one purpose or another. Our administrators will find some way to spend it. The issue is that simple.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I was promised all the time I needed on this amendment.

Mr. PASTORE. Mr. President, I shall be happy to allot time to the Senator.

Mr. ELLENDER. I should like to have 30 minutes.

Mr. PASTORE. Thirty minutes more?

Mr. ELLENDER. Yes.

Mr. PASTORE. How much time have we on the bill? Could we negotiate an arrangement of 15 minutes and 15 minutes?

Mr. MORSE. Mr. President, will the Senator yield to me on this parliamentary matter?

As Senators know, the unanimous-consent agreement was entered into when the Senator from Louisiana was out of the Chamber. I am the culprit, if anyone wishes to put it that way. I forgot the request of the Senator from Louisiana.

I discussed the situation with the majority leader. He said that when the appropriate time arrived he would be willing to seek unanimous consent to grant the Senator necessary time. I ask unanimous consent that the unanimous-consent agreement may be modified in this one particular, to grant 30 more minutes to the Senator from Louisiana.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Oregon?

Mr. KUCHEL. Mr. President, reserving the right to object, do I correctly understand that the request would give the Senator from Louisiana 30 minutes rather than 15 minutes?

Mr. ELLENDER. No.

Mr. PASTORE. No. It would add 30 minutes to his 15 minutes.

Mr. MORSE. It involves an additional 30 minutes.

I say to the Senator from California that yesterday I was trying to cooperate in reaching a unanimous-consent agreement. I forgot the promise to the Senator from Louisiana of some time that was not covered by the agreement.

We have talked this problem over with the majority leader. He is not now present, but he said he would ask for additional time. I know I speak for the majority leader when I ask that the Senator from Louisiana be granted extended time.

Mr. KUCHEL. So the Senator from Louisiana would have a total of 45 minutes on the amendment, and 15 minutes would be available to the Senator from Rhode Island?

Mr. PASTORE. That is correct.

Mr. KUCHEL. I have no objection.

Mr. MORSE. I shall be glad to help the Senator from Rhode Island, with respect to time on the bill, if he needs more time.

Mr. PASTORE. No. We shall not need more than 15 minutes.

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

Mr. ELLENDER. Mr. President, I thank all Senators. As the Senator from Oregon said, I was not present when the agreement was made. I specifically asked the Senator from Rhode Island [Mr. PASTORE] to notify me of any action taken on the bill. It was done in my absence.

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

Mr. ELLENDER. I yield.

Mr. PASTORE. The Senator is absolutely correct in his statement. That request was made. I did not believe it applied to this particular unanimous consent agreement. I want the RECORD to show that the Senator is being fair. The Senator is entitled to the half hour. No Senator is objecting. I believe he should proceed.

Mr. MORSE. It is not the fault of the Senator from Rhode Island; it is my fault.

Mr. ELLENDER. I am not saying that it is anybody's fault, in particular.

Mr. President, I made an effort before the Committee on Appropriations to have a bill approved which matched the House figures. I sincerely believe that the House figures are sufficient, particularly in view of the fact of our balance-of-payments problem. I was among the first to bring this problem to the attention of the Congress in 1959. Since I brought this matter up, our Nation has lost an additional $5 billion of gold, and the outflow continues.

Since 1950 our deficit in balance of payments has aggregated $24.3 billion, and if this program continues, we can look forward to a worsening of our balance-of-payments position. At the present time our gold stock, in excess of reserve requirements, is $3.5 billion which foreign creditors hold potential claims against this gold of $25 billion.

As I previously pointed out there is $7 billion in the pipeline for this program. If the bill is passed in its present form, the administrators will have more than $10 billion at their disposal to obligate and to spend.

Let us not forget that the amount of money in the pipeline today can be shuffled around in many instances and given to areas which might need it the most. Of course, the pipeline amount includes not only economic assistance, but military assistance as well.

As I pointed out before the Committee on Appropriations, $284.9 million in economic assistance was obligated by AID in the first 5 months of this fiscal year. The amount of money which was obligated for military assistance during the first 5 months of this fiscal year was $304 million. If we add to those two figures the amount of economic as well as military assistance which was made available in the last 7 months of the previous fiscal year, we arrive at a figure of $2,965 million, which is $44.8 million less than the amount provided in the House bill. Thus, if the House bill were adopted, AID would have $44.8 million more than it had in fiscal year 1963.

I was voted down in the committee. I now seek to have action taken with respect to what is, in my opinion, the softest portion of the program, the development loan program.

Let me begin by pointing out that the United States is a heavy contributor to many banks which make loans throughout the world. The first was organized in 1945, under the Bretton Woods Agreement, and is known as the World Bank, or the International Bank for Reconstruction and Development. This Bank has a callable capital of $16 billion and our subscription thereto is $5.7 billion.

When it was created it was thought that this bank would be able to assist in the rehabilitation of our friends all over the world. But we have been in the AID business on a bilateral basis to the extent of $109 billion, as I previously pointed out and the operations of the World Bank have steadily expanded.

In 1961 another fund was provided, known as the "soft window" for the World Bank. It is known as the International Development Association, commonly known as IDA.

In the bill the Senate is now considering there is provided $61 million for our fourth installment on a subscription to IDA which amounts in the aggregate to $320.3 billion.

Next year we are going to provide the fifth and final installment on this particular stock subscription. Our total participation in these initial contributions to IDA will be in excess of 33 percent.

There is also before the Senate, S. 2214, a bill, which will doubtless come

up next year, wherein the capital in the International Development Association will be increased by $750 million. Our contribution to this new IDA venture will be $312 million, payable in three installments, which will approximate 42 percent of the total amount of $750 million.

Is that all? No; there are other so-called loan spigots. For another, there is the old Development Loan Fund, an institution created by us to make soft loans to underdeveloped countries, repayable in soft currencies. We have invested in this fund $1.896 billion.

We did not have enough loan spigots, so we established another institution in 1961, the New Development Loan Fund the item we are now considering, which was supposed to take the place of the so-called giveaway programs. "Instead of grants," we said, "Let us make loans which are repayable in dollars." As my distinguished friend from South Dakota [Mr. MUNDT] pointed out, they are not loans—they are grants, to all intents and purposes.

Our Government must pay from 2¾ percent to as much as 4 percent on the money it borrows; and it lends that money, without security at the rate of three-quarters of 1 percent, with 10 years' grace and with 40 years to pay.

As was pointed out, an amendment was adopted in the foreign aid authorization bill, which I believe was sponsored by the Senator from Ohio [Mr. LAUSCHE], providing that not less than 2 percent was to be charged, with a grace period of 5 years. That was changed by the conferees. The 2-percent rate remains, but, it is not to be utilized until 10 years after the loan is made. In the first 10 years, the rate is to be three-quarters of 1 percent.

What irks me is that we are making every effort we can to aid the entire free world, and we are doing it virtually alone. We are told by our administrators, by those who parade before us each year from Secretary McNamara on down, that things are going to be different; that, we are going to induce our friends to assist in this effort, and that they will put up enough money to relieve us of much of this burden.

Let me point out that Germany, France, Great Britain, and other countries do not make loans as we do. They make hard commercial loans. They make loans repayable in 3 years, 5 years, 10 years, and sometimes they will extend credit for 15- or 20-year periods.

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

Mr. ELLENDER. On the Senator's own time.

Mr. FULBRIGHT. I yield myself whatever time I take in asking questions.

Mr. ELLENDER. I dislike getting technical, but I must preserve the limited time I have available.

Mr. FULBRIGHT. The Senator has talked about other countries making only commercial loans and has stated that in IDA we put up 42 percent. The same countries he is speaking of put up 50 percent; so they are participating in it. The $750 million that the Senator mentioned is to be applied over a 3-year period, $250 million a year, of which we shall put up 42 percent. It strikes me as a good bargain as compared with what we have done in the past.

I do not know whether the Senator from Louisiana supported the Marshall plan.

Mr. ELLENDER. I did, cheerfully.

Mr. FULBRIGHT. Then the Senator supported programs for outright grants.

Mr. ELLENDER. No.

Mr. FULBRIGHT. Oh, yes. More than 50 percent of the grants were outright grants to industrialized countries. If any mistake was made in that program, it was that those should have been loans provided under development loan funds.

The loans under discussion are repayable in dollars. It is true that the interest rate is low, but they are still loans. The major part of the Marshall plan was in outright grants. Part of it was in loans. Those loans are being repaid today, to the extent of nearly $300 million a year. I do not follow the Senator's argument. This is a sound, businesslike transaction, providing for participation to the extent of 58 percent by the same countries he is now saying make commercial loans.

Mr. ELLENDER. If we were to end there, the Senator would not hear me arguing this point; but, as I pointed out, we are making available large amounts of other money—good old borrowed dollars—in addition to the sums we contribute to the international banks. I am arguing that $800 million is not needed for the Development Loan Fund, if we are going to make an additional $312 million available to the International Development Association.

It is true that contributions are made by other countries to IDA, and that is a good thing. But apparently IDA must be augmented. We must get in on our own; we must add our own aid programs. I believe the Senator from Arkansas, led the fight in the Senate to provide a 5-year authorization of $1.500 billion for each year, for the loans we are discussing here.

I felt that the creation of the World Bank would be sufficient to provide for the loans to which the Senator from Arkansas has referred.

Yes; I voted for the Marshall plan. However, as I understood the Marshall plan, at that time, it was to be on a loan basis, rather than on a grant basis.

Mr. FULBRIGHT. Oh, no. The Senator knows very well that that is not so.

Mr. ELLENDER. As recommended by General Marshall it was supposed to be on a loan basis, but the Congress adulterated the original proposal and made it primarily a grant program. As I have said on many occasions, the original Marshall plan was put on the statute books in order to rehabilitate Europe. I can well remember when Mr. Hoffman, the first Administrator, testified before our committee. I and other Senators asked him, "Mr. Hoffman, how long do you expect this plan to run?"

He said, "Five years, at the most."

We asked him, "How much do you expect to spend?"

He said, "$17 billion."

We drifted into other areas. Instead of spending the $17 billion he said would be required for Western Europe, we have spent $45 billion. There is no end to the program. That is what I am complaining about.

All these programs are supplemented by us. If we could rely on the World Bank and IDA I would not be complaining.

What we have been doing is not only contributing the largest share to all these institutions, but we have also been providing separate and distinct funds of our own, in order to help the world. That is what I am complaining about.

It is true that we are receiving some assistance from our friends in the creation of these international banks. However, that is but a pittance compared with what we are supplying on a unilateral basis.

Where will all this money be used? Where will it be spent? As I pointed out, $45 million was given to Israel. When I say given, I mean just that. It may be paid back 40 years hence, but at three-quarters of 1 percent interest, it amounts to a gift.

Greece also received some of this easy money last year. Seven or eight years ago our program in Greece was supposed to come to an end, but the politicians over there were very vociferous, and were able to induce our AID directors to go back and resurvey the situation.

Mr. MORSE. Mr. President, will the Senator yield for 10 seconds?

Mr. ELLENDER. The countries in the Near East which will receive more and more of our loans, are already debt ridden. We have already loaned them almost $3.5 billion, aside from what the international banks have made available. Now we are asked to provide $800 million, to further add to our burdens, in order to increase the amount they owe us. When a loan is authorized, our Administrator is supposed to have made the decision that this money will be paid back. It is not supposed to be a gift. However, I daresay that many recipients of our loans are so debt ridden that they cannot possibly pay back any amount we loan to them in the future.

Mr. MORSE. Mr. President, will the Senator yield 10 seconds?

Mr. ELLENDER. I yield to the Senator from Oregon.

Mr. MORSE. I wish the RECORD to show that I completely agree with every observation of the Senator from Louisiana. I would reinforce his argument by calling the President's attention to an authoritative research study which has been published, which shows that 1 out of 10 Americans is living at a poverty level. I say to the President, "Let us have a letter from you as to what you propose to do about the 1 out of 10 in this country who are living on a poverty level, while you recommend in another letter that we continue to waste billions of American taxpayer money on foreign aid."

Mr. ELLENDER. I thank the Senator from Oregon. I beg the Senate to cut back this $800 million and allow only

$600 million, the House figure. I am sure that would be ample.

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

Mr. ELLENDER. I yield.

Mr. MILLER. Does the Senator have available the figures as to the amount in the pipeline for development loans after June 30?

Mr. ELLENDER. There is $1,485,356,648; that is the amount in the pipeline.

Mr. MILLER. By adding the $600 million, which is the House figure, there would be available about $2 billion for this purpose. Is that correct?

Mr. ELLENDER. Yes. The more money we make available to the administrators, the more they are going to spend. I would not so much object to the amount of the loans reported, if only the Foreign Relations Committee had retained in the bill the restriction that we proposed, that no money should be loaned on any project unless it is first studied by the Corps of Engineers. If we are to build a dam in Ohio, on the Ohio River, or in the State of Kansas or in the State of Iowa, it requires from 5 to 7 years to bring the project to the point where we can appropriate money with which to construct it. What are we asked to do in this case? If a road is to be built, the technicians fly over the area and say, "We think we can build a road for $2½ million."

I have seen instances in which, before a project was completed, the cost rose to five times the original estimate. If we should curtail this amount to $600 million, the money would be, I hope, more carefully distributed. The projects might be determined on a more selective basis. An appropriation of $600 million would be ample to do the job, particularly since there is in the pipeline for this purpose $1.48 billion. Think of how the figures are blown up. For fiscal year 1963 it was said that from $200 to $270 million would be needed for lending to the newly emerging countries in Africa. Do Senators know how much was actually used? $98 million. I daresay that many of the projects in this year's budget will not pan out. I visited some of them, and the only one that looked promising was the Volta River project, in Ghana. In that case, the Ghanaian Government paid half the cost, and the interest rate that we receive is above the amount we pay. Of course, that project was begun before this current program was started. I have hopes for Ghana, because they are a people who have invested their own money. They will try to save that money.

But many countries do not have the money, so they go to Uncle Sam, who shells it out of his pockets for their projects. Little care is given to the feasibility of the projects, as would be the case if those countries contributed their own money.

There is no doubt in my mind that with the money now in the pipeline and the $600 million I am suggesting be placed in the bill, the total amount will be ample.

Consider Morocco. There we provided last year a huge, inflated amount of money. Morocco had applied for $15 million; but later they said, "We do not need that much. We cannot meet your terms." They expected us to put up the money; but when we talked terms, there were no takers. The same is true of many other countries.

In the case of Liberia, with all the money we have made available there, instead of Liberia using the receipts collected from the rubber company and from iron ore, do Senators know what is being done with the money? For one thing, a palace is being built for the president that will cost from $10 to $12 million. Yet immediately across from where the palace is being constructed are some of the worst sewers in the world. There are none filthier. Also, a huge ornate judiciary building is being built there.

As I told President Tubman, things that are necessary ought to be built first. Yet while the resources of Liberia are being used to construct a palace and other unnecessary buildings, we are being called upon to make loans to enable them to develop a potable water supply and to provide more electricity. These are facilities that could have been provided out of the taxes, Liberia has collected, because the tax receipts in Liberia have increased considerably in the last 4 or 5 years.

Mr. President, the vast bulk of the funds made available to the Development Loan Fund will be spent in the Near East and south Asia. We have already made considerable loans in this area of the world. In fact, we have given until it hurts. We have already loaned to Pakistan, aside from grants, aside from the free gifts, $715,188,823. Now we are being called upon to increase that amount.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. PASTORE. Mr. President, I yield the Senator from Louisiana another minute on the bill.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD page 439 of the hearings, which shows the amount owed to us by the countries of the Near East and south Asia.

I say again that if my amendment should be adopted, there will still be sufficient money available, considering what still remains in the pipeline. I urge that Senators vote for my amendment.

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

Status of borrowings and repayments, NESA countries (MSP, DLF, and AID loans) as of June 30, 1963

Country	Value authorized	Repayment		Delinquencies		Remarks
		Principal	Interest	Principal	Interest	
Afghanistan	$14,808,933.19	$180,414.19	$925,244.93	$110,140.75	$5,116.70	Delinquency results from error in billing to borrower. Being cleared up.
Ceylon	5,761,517.54	505,299.30	504,451.09			None.
Cyprus	2,275,000.00	0	0			Do.
Greece	119,600,000.00	2,399,338.50	6,962,045.57			Do.
Iran	219,910,193.55	12,538,993.05	17,263,929.01			Do.
Israel	185,993,720.16	4,150,984.02	9,245,118.11			Do.
India	1,691,254,976.93	41,779,689.05	72,604,156.01			Do.
Jordan	2,700,000.00	188,871.00	193,448.69			Do.
Lebanon	5,400,000.00	151,179.94	186,475.85			Do.
Nepal	400,000.00	0	0			Do.
Pakistan	715,188,823.89	17,630,969.87	22,412,685.15			Do.
Syria	18,399,997.00	29,425.19	111,529.52			Do.
Turkey	406,900,660.26	3,441,552.45	10,217,228.73			Do.
United Arab Republic (Egypt)	106,700,000.00	77,034.28	1,865,848.10			Do.
Grand total	3,495,293,822.52	83,073,750.84	142,492,160.76	110,140.75	5,116.70	

Mr. PASTORE. Mr. President, I yield myself 5 minutes. First, the revised estimate made by the President with reference to the authorization for this item was $1,060 million. The Senate passed a $950 million authorization. The House passed a $900 million authorization. In conference, the conferees resolved the amount at $925 million. The amount that is now proposed to be appropriated is $800 million, which is $125 million below the authorization and is $100 million below the House figure on the authorization bill.

The arguments made by the distinguished Senator from Louisiana are to the effect that the entire program should be eliminated. I would not be surprised if the Senator from Louisiana voted against the foreign aid program after the bill had been read the third time. But long ago, beginning in 1957, it was thought by Congress that we should move from direct economic grants to loans. Congress decided that. We decided to change from making grants to making loans. We started by providing for repayment with soft money. Then in 1961 Congress amended the law so as to provide that if we loaned hard money—American dollars—we want it to be repaid in American dollars. That is the law today.

I should like to read to Senators an excerpt from one of the most eloquent speeches made in a long time:

Now, on the world scale, the time has come, as it came to America 30 years ago for a new era of hope—hope and progress for that

one-third of mankind that is still beset by hunger and poverty and disease.

In my travels on behalf of my country and President Kennedy, I have seen too much of misery and despair in Africa, in Asia, in Latin America. I have seen too often the ravages of hunger and tapeworm and tuberculosis, and the scabs and the scars on too many children who have too little health and no hope.

I think that you and I and our countries and this organization can—and must—do something about these conditions.

I am not speaking here of a new way of life to be imposed by any single nation. I am speaking of a higher standard of living, to be inspired by these United Nations.

It will not be achieved through some hopeful resolution in this Assembly, but through a peaceful revolution in the world—through a recommitment of all of our members, rich and poor, and strong and weak, whatever their location or their ideology, to the basic principles of human welfare and of human dignity.

In this effort the United States will do its full share.

Mr. President, those words were uttered by the President of the United States, last Tuesday, at noon, at the United Nations.

Yet the argument made here by the distinguished Senator from Louisiana is in complete opposition to that position taken by the President of the United States.

All we are saying is that we wish to lend this money, not to give it away. We propose that the money be loaned, with interest payments of not less than three-quarters of 1 percent for a 10-year period and 2 percent thereafter. Is not that better than giving it away? Congress decided on that course.

If Senators wish to have the program crippled, let them support this amendment.

On the other hand, if we wish to give help to the underprivileged of the world and if we wish to heed the clarion call of last Tuesday so clearly sounded by the President of the United States, how can we, in good conscience, vote to strike out this amount of money?

We shall not be giving away the money to the rich. It is too bad that when we began the Marshall plan, we did not then have the Development Loan Fund, because, in that event, today France, and the other rich countries of Western Europe, would be paying back the money.

Mr. President, this amendment would result in sticking a knife into the heart of the best program we have—the development loan program.

This $800 million is not to be spent abroad in any fashion these countries would like. We decide on the program, and the money is spent in the United States.

The PRESIDING OFFICER. The time the Senator from Rhode Island has yielded to himself has expired.

Mr. PASTORE. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 more minute.

Mr. PASTORE. As I was about to say, Mr. President, this money will be spent in the United States, where it will create jobs for American workers; and the repayments must be made in American dollars. That is what this program amounts to.

Yet the Senator from Louisiana proposes that we revert to the amount voted by the House of Representatives. Mr. President, I am becoming a little weary of proposals to revert to the amounts voted by the House of Representatives. If that is to be done, why does not the Senate adopt a resolution doing away with the U.S. Senate? If Senators want the judgment of the House to be controlling and if Senators want to rubber stamp what the House votes, then what are we doing here? If we amount to no more than that, I think we should turn back our own salaries and should do away with the Senate Appropriations Committee—even though it worked very hard on the hearings on the bill. However, if Senators think that time was spent for naught and those efforts were futile, and if Senators think the members of the Appropriations Committee are wastrels, because of the report they have made on the bill, why not do away with the committee system and stop this "nonsense"? if "nonsense" it is.

Those who say, "Let us revert to the amount voted by the House" may prefer to have a unicameral Congress; in that case, the people of the United States would really save some money.

Mr. President, I hope this amendment will be resoundingly rejected, because, in my humble opinion, it would do irreparable harm to this entire program.

Mr. MORSE. Mr. President, I yield myself 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes on the bill.

Mr. MORSE. Mr. President, the Appropriations Committee does not pass proposed legislation; it merely recommends it. The Senate is the body which passes the bills. The committees cannot be substituted for the legislative process of the Senate.

I believe it would be helpful to make the rollcall votes in the committee parts of the CONGRESSIONAL RECORD, in connection with the various portions of this bill, because from reading the committee report we obtain no idea of just where the committee members stood. I have been advised by members of the committee that they were greatly divided on item after item—whereas, Mr. President, from listening to the remarks of the Senator from Rhode Island, one would think the committee was unanimous in adopting the report.

Mr. President, for years it has been argued that 80 percent of this money is spent in the United States. In that case, is the argument being made for a make-work program in the United States—because let us not forget that more than one-third of this money is for military equipment which is shipped abroad, and much of it is given away abroad. If a make-work program is wanted, then let us build up a program that will expand the American economy and will create productive wealth for the American economy and will provide an increasing number of jobs for the people of the United States.

Furthermore, much of this program is a giveaway program, which is not the way to build up the American economy.

This amendment will not cripple the program, for by means of the amendment the bill will still provide $600 million for this fund.

Have we reached the point where we have to take the recommendations of the Senate Appropriations Committee as if they were sacrosanct and as if any modification which we might make in them would result in crippling the President's program?

I have great respect for the President and for his program; but, in my judgment, and I say this respectfully, in this instance the President is in his Texas saddle, galloping backward. He should first eliminate the millions of dollars of waste in this program, and then he will get support for a sound foreign aid program.

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

Mr. PASTORE. I yield 3 minutes to the distinguished Senator from Massachusetts.

Mr. President, I understand that I have 6 minutes remaining.

The PRESIDING OFFICER. That is correct.

The Senator from Massachusetts is recognized for 3 minutes.

Mr. SALTONSTALL. Mr. President, I rise to support the committee's position in favor of an appropriation of $600 million for the Development Loan Fund.

We should remember that the original administration request was for $1,060 million. This $800 million item is $260 million less than the original budget estimate, and $200 million more than the amount voted by the House.

To state the situation very briefly, the amount of grant aid is being decreased, and the amount of loan aid is being increased—which is what we want. I understand that loan aid is now being made available at 2 percent interest after 10 years, and three-quarters of 1 percent for the first 10 years; and 100 percent of the development loan money is spent in the United States.

Second, there have been no delinquencies in the interest repayments under the development loan program, which began 2 years ago.

Third, the obligation to repay the loans stimulates these countries' self-help efforts.

Furthermore, international consortium commitments have been made; and if too much of a reduction is made in the U.S. program, all these loans by other countries will be cut down. Essentially these loans are in India, Pakistan and Turkey. I believe that in these three countries alone $600 million of loan funds will be committed in 1964. For these reasons, Mr. President, I believe that the position of the committee should be supported and the amendment offered by the distinguished Senator from Louisiana should be rejected.

Mr. PASTORE. Mr. President, I yield 10 seconds to the distinguished Senator from Iowa [Mr. MILLER] for an insertion in the RECORD.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 seconds.

Mr. MILLER. Mr. President, I intend to support the pending amendment.

The Senator from Louisiana [Mr. ELLENDER] has shown that as of June 30 last there was over $1.4 billion in the development loan pipeline of previously appropriated and obligated funds; and that even with the adoption of this amendment there would be some $2 billion in our current development loan program.

I have carefully examined the report of the House Appropriations Committee on this item. It has been carefully prepared. I regret that the Senate Appropriations Committee, in its statement on development loans, has not—with one exception—met the points made in the House report, and its explanation for increasing the House figure by $200 million is nonexistent.

The Senate committee was responsive to one point made by the House. This had to do with not the amount of the appropriation but with respect to a policy in governing the presentation of budget requests for development loans by the Agency for International Development. The House believes that Congress should be given an opportunity to evaluate the proposed loans—that these should be "justified on a country-by-country basis with definite loan applications to back up the estimate for each country."

The Senate Appropriations Committee does not believe it is practical, for detailed justification, for each individual proposed development loan to be submitted in advance in connection with future budgets. I am not persuaded to the Senate committee's viewpoint—at least with respect to large loans. The House committee's viewpoint is, in my opinion, much more in line with the guidelines advocated by the Clay committee. Moreover, at a time when our Government is suffering from deep, billion dollar deficits as a result of the failure of a majority of the Members of Congress to exercise prudence and restraint in appropriations, I find the willingness of the House to devote more time and effort to the scrutiny of our development loan program a refreshing attitude.

Mr. President, I ask unanimous consent to have printed in the RECORD the portion of the House committee's report on development loans, appearing on pages 26 through 35.

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

DEVELOPMENT LOANS

1964 estimate	$1,060,000,000
1964 authorization	925,000,000
Recommended for 1964	600,000,000

The Budget proposed a development lending program, exclusive of the Latin American area of $1,160,230,000. This proposed program is composed of the following elements:

New obligational authority	$1,060,000,000
Carry-over of prior year appropriations	71,398,000
Deobligations during the fiscal year	25,832,000
Loan receipts	3,000,000
Total	1,160,230,000

Included in the appropriation estimate of $1,060 million in new obligational authority was an unprogramed amount of $52 million of which $32 million was in the Latin American area and $20 million was in the Near East and South Asia area. The Assistant Administrator for the Near East and South Asia area characterized this portion of the estimate for his area as a "contingency fund."

The committee recommends an appropriation of $600 million for development loans in fiscal year 1964.

Since fiscal year 1958 when the development loan program was initiated, the Congress has made available the following appropriations:

Fiscal year	Estimate	Appropriation
1958	$500,000,000	$300,000,000
1959	850,000,000	550,000,000
1960	700,000,000	550,000,000
1961	850,000,000	600,000,000
1962	1,200,000,000	1,112,500,000
1963	1,250,000,000	975,000,000
Total	5,350,000,000	4,087,500,000

The original Development Loan Fund was in operation from fiscal year 1958 through November 3, 1961, and made dollar loans which were repayable in dollars and/or local currency. During its existence the Development Loan Fund made 217 loans and commitments and 3 guarantees amounting to $2,008,500,000. As of June 30, 1963, loan repayments and interest collected totaled $170,696,330. All of the repayments, dollars and local currency, are credited to the U.S. Treasury and are not available for further lending.

The new AID development lending program initiated on November 3, 1961, has had total appropriations of $2,087,500,000. As of June 30, 1963, it had made 126 loans totaling $2,033,700,000. To date no principal repayments have been made. Interest and credit fees collected to date under the new development lending program total $2,018,746. Such payments are deposited into a revolving fund and continue available for further lending.

All development loans are now repayable in dollars, and most of the loans are very long term (30 to 40 years), carry a three-quarters of 1 percent credit fee in lieu of interest and provide a grace period of up to 10 years prior to commencement of repayment. The recently enacted authorization bill, however, now provides for a service charge of three-quarters of 1 percent per annum for the first 10 years and an interest rate of at least 2 percent per annum thereafter to maturity on all loans made after approval of the Foreign Assistance Act of 1963.

While the Agency appears to be making some effort to harden the terms of the loans, the number of countries in which the policy is in effect is minimal. In addition, the committee has noted from the testimony and data supplied that while the United States is extending what amounts to a subsidized loan—as Administrator Bell stated: each loan is "perhaps two-thirds grant and one-third loan"—other free world and bloc countries are extending their development loans on much harder terms. For example, the following table indicates the terms of loans extended to India by other countries during fiscal years 1962 and 1963:

Loans to India from countries other than the United States

Country—Free world	Loan value	Date authorized	Interest rate	Grace period	Maximum maturity
UNITES STATES FISCAL YEAR 1962					
West Germany:	*Millions*		*Percent*	*Years*	*Years*
Balance of payments	$42.50	Sept. 14, 1961	3	7	20
Rourkela refinancing [1]	21.30	May 4, 1962	5½	4	13
Commodity aid	25.00	June 29, 1962	3	7	20
United Kingdom:					
Capital goods	14.00	Nov. 10, 1961	([2])	6½	25
Do	28.00	May 23, 1962	([2])	7	25
Durgapur expansion	61.60	do	([2])	7	25
Japan: General loan	80.00	Aug. 18, 1961	6	5	15
France: 3d plan loan, I	30.00	Feb. 5, 1962	5	-------	10
Italy: Petroleum projects [3]	45.00	Aug. 29, 1961	6	-------	12
Canada: 3d plan projects	[4] 10.60	Sept. 22, 1961 / Jan. 19, 1962	6	1–5	15–20

Country—Free world	Loan value	Date authorized	Interest rate	Grace period	Maximum maturity
UNITED STATES FISCAL YEAR 1963					
West Germany:	*Millions*		*Percent*	*Years*	*Years*
Maintenance support	$18.75	Dec. 12, 1962	3	7	20
Rourkela rehabilitation	14.00	do	3	7	20
Projects	26.75	do	[6] 6¼	5	15
Do	20.50	do	3	7	20
Development banks	12.50	do	5½	5	20
Rourkela expansion	100.00	Apr. 25, 1963	5¾	5	20
Rourkela refinancing [1]	15.35	do	5¾	4	13
United Kingdom:					
Capital goods	14.00	Sept. 4, 1962	([2])	7	25
Do	36.40	do	([2])	7	25
Steel, etc	9.80	Apr. 9, 1963	([2])	7	25
Japan: Textile machinery	10.00	July 20, 1962	6	-------	10
France:					
3d plan loan, II	20.00	Nov. 19, 1962	5	-------	10
Industrial Finance Corp.	10.00	do	6	-------	13
Italy: Madras Aluminum [3]	8.80	Nov. 7, 1962	6	5	12
Austria: Capital goods	5.00	Nov. 23, 1962	6	2	12
Canada: 3d plan projects	[4] 14.40	Oct. 15, 1962	6	1–5	15–20
Belgium: Capital goods	10.00	([5])	([6])	-------	10–12
Switzerland: Capital goods	11.40	July 13, 1962	([7])	([7])	10

[1] Original loan for Rourkela steel mill of about $157 million made in 1958 was for 3 years. This is being refinanced for longer periods as portions of the credit come due. Original credit loans and refinancings should not be added together, since they represent essentially the same credit.

[2] Treasury rate plus ¼ percent.

[3] Part of a general agreement signed Aug. 29, 1961, for extension of credits up to $96,000,000. Latter figure represents a commitment but not an actual loan.

[4] Canadian loans given in Canadian dollars, which are worth a little less than U.S. dollars. The total for the 2 years (Canada, $25,000,000 or about United States, $23,100,000) is believed correct, but the division between U.S. fiscal year 1962 and U.S. fiscal year 1963 is estimated. Canada has also given India substantial grant aid ($36,000,000 for 2 years, April 1961 to March 1963) as part of its consortium commitment.

[5] Rate charged by bank consortium which advanced the funds. It is expected that the German Government will subsidize the interest payments, reducing the rate to about 5¾ percent.

[6] Not available.

[7] Discount rate plus 3¾ percent.

In comparison with the terms of the loans as indicated above the United States extended eight loans to India during fiscal year 1963 with a total value of $396,100,000, carrying a maturity date of 40 years, a 10-year grace period, and only three-fourths of 1 percent service charge.

U.S. development loan assistance to Pakistan is no different than such assistance to India. Other nations get good solid banking *loans*, and the United States seems to get what's left, as indicated in the table below which includes the consortium pledges and loan terms for the second and third years of Pakistan's second 5-year development plan:

Consortium pledges and loan terms for 2d and 3d years (fiscal years 1962 and 1963) of Pakistan's 2d 5-year plan

Consortium member	Total pledge (million dollar equivalents)	Interest rate (percent)	Grace period (years)	Duration (years)
United States	500			
AID grants	(23)			
AID loans	(427)	¾	10	40
Eximbank loans	(50)	5¾	1–2	7–18
International Bank for Reconstruction and Development	70	5½–5¾	2½–5	10–25
International Development Agency	139	¾	10	50
United Kingdom	48	[1] 5½–6¾	5–7	25
Canada	38			
Grants	(23)			
Loans	(15)	6	5	15–20
Germany	80			
Loans	(60)	3–5½	5–7	20
Loans	(20)	6½		10
France	25	6		[2] 12–15
Japan	45	6	5	15
Total	945			

[1] Interest rate is the British Treasury rate plus ¼ of 1 percent. Hence there is a fluctuating interest rate as Treasury rate fluctuates.
[2] 10 years from time of delivery of equipment or completion of project.

During the hearings, Administrator Bell testified he was sure the United States could get harder terms on our loans, but that our position was that the terms of repayment should be related to the balance-of-payments prospects of the borrowing country. This principle has been accepted by the members of the Development Assistance Committee of the OECD, including Germany, England, and Japan, but the Committee can see very little evidence of softening of lenders' terms as indicated in the table below which is the recent consortium pledges to India for fiscal year 1964:

"INDIA CONSORTIUM AGREEMENT

"The consortium of countries and institutions interested in development assistance to India concluded on August 7, 1963, a series of sessions devoted to considering India's needs for the third year (April 1963–March 1964) of her third 5-year plan. The pledges announced for the third year of the plan are as follows:

"Aid pledged by consortium for Indian fiscal year 1963–64

Donor	Amount (million dollar equivalents)	Maturity (years)	Grace period (years)	Interest rates (percent)
Austria	7.00	12	2	6
Belgium	10.00	10–12		[3]
Canada	12.50	15.20	[1]	[2]
	18.00	[4]		

"Aid pledged by consortium for Indian fiscal year 1963–64—Continued

Donor	Amount (million dollar equivalents)	Maturity (years)	Grace period (years)	Interest rates (percent)
France	30.50			
	20.00	10		5¼
Germany	15.35	13	4	5¾
	27.50	25	7	3
	22.50	20	5	5½
	5.15	20	12	5½
	29.00	10		5½
	99.50			
Italy	45.00	10		[2]
Japan	65.00	15	5	5¾
Netherlands	7.22	25	7	[1]
	3.88	10		[1]
United Kingdom	84.00	25	7	[4] 3½
IBRD	105.00	12–25	3–5	[5] 5½
IDA	140.00	50	10	¾
United States of America:				
AID	385.00	40	10	¾
Eximbank	50.00	10–15	3	5¾
	435.00			
Total	1,052.10			"

[1] Not available.
[2] To be based on Government's borrowing cost or market rate plus an administrative charge or commission.
[3] Grants.
[4] Interest payments to be waived during 7-year grace period. Subsequent payments to be related to United Kingdom Government's borrowing rate. It is expected that the interest charge over the life of the loan will work out to less than 3½ percent.
[5] IBRD charges current market rate at time loan is made. This has recently been 5½ percent.

In addition to the $4.087 billion which the United States has already appropriated since fiscal year 1958 for development loans on a bilateral basis, the United States has agreed to participate in two other multilateral development lending institutions and the Congress has provided appropriations as follows:

Inter-American Development Bank

Fiscal year	Estimates	Appropriations
1960	$280,000,000	$280,000,000
1962	110,000,000	110,000,000
1963	60,000,000	60,000,000
Total	450,000,000	450,000,000

Included in another section of the bill is a recommended appropriation of $50 million for the Special Operations Fund of the Bank. This appropriation was recently authorized by Public Law 88– ———, approved ———. In addition, the board of governors recently recommended that each member country of the Bank take the legislative and administrative actions necessary to make the proposed increase in capital stock of $1 billion as soon as possible. The U.S. share of this proposed increased capitalization of the Bank is $412 million. This increased U.S. contribution is also authorized by Public Law 88– ———.

Another recently established development lending institution is the International Development Association, an affiliate of the World Bank, which was created to provide development financing on more flexible terms than the World Bank. At present IDA makes loans, repayable in dollars, with a maturity date of 50 years, a 10-year grace period, and a service charge of three-fourths of 1 percent. The Congress has provided the following appropriations to date toward fulfilling our total subscription which represents approximately 32 percent of the presently authorized capitalization:

International Development Association

Fiscal year	Estimates	Appropriations
1961	$73,666,700	$73,666,700
1962	61,656,000	61,656,000
1963	61,656,000	61,656,000
Total	196,978,700	196,978,700

Also included in another section of the bill is $61,656,000 as the fiscal year 1964 appropriation to the association, with an additional appropriation of identical amount required in fiscal year 1965. In addition, legislation has been recently introduced (S. 2214) which would authorize an additional appropriation of $312 million to the IDA over a 3-year period beginning in fiscal 1966.

While the committee recognizes the need for a source of funds for development purposes, it questions the wisdom of an apparent trend toward a number of institutions, with the United States as the largest contributor, providing such assistance on soft terms. The World Bank, which was created in 1945, was the original institution in this field. Since its establishment it has made sound bank loans for developmental purposes. However, at the recent international monetary conference held in Washington it was suggested that the World Bank revise its present policy of hard-term loans to one of softer terms. Both of the banks discussed above—the Inter-American Development Bank and the World Bank's affiliate, the International Development Association—now make developmental loans on soft terms.

One objection to loans with soft terms is that with grace periods and maturity dates so far in the future, the banks' resources are soon exhausted and then there is a requirement for additional capitalization. The committee has already noted above the propositions for increased capitalization for both the Inter-American Development Bank and the International Development Association.

In its review of the material presented in support of the foreign assistance estimate, the committee noted in the summary presentation document the following statement:

"In the year and a half since the passage of the Foreign Assistance Act, development loans have become the major instrument of U.S. economic assistance.

"Nearly 60 percent of the total economic assistance program funds requested by AID for fiscal year 1964 is earmarked for lending. This share compares with about 54 percent estimated for fiscal year 1963 and about 30 percent in 1961, the last year of the Development Loan Fund."

In view of the substantial percentage of the 1964 estimate for economic assistance that is requested for development loans, the committee is quite concerned, as it has been in prior years, as to the lack of detailed information presented to the Congress in justification of the estimate of funds required for the program. The committee commented rather extensively last year in its report on this appropriation item with reference to the fact that projects are selected by the Agency and funded only after Congress makes funds available for development loans.

This year Assistant Administrator Hutchinson stated on page 1105 of part 3 of the printed hearings that the development loan program estimate was far more illustrative than any other part of the AID program. The committee questions whether that is possible, but it is willing to take Mr. Hutchinson's word.

Again, on page 1179 of part 4 of the printed hearings, the following colloquy occurred:

"Mr. TALBOT. The answer on the money is, We do not know whether funds appropriated for development loans might be used for one loan or for another yet. Each loan application comes and is examined and a decision is made in the course of a year, so in our proposals for development loan funds, we are not at this time able to specify which particular development loan application will be accepted.

"Mr. PASSMAN. You are saying this is an illustrative program. Even though you should justify funds for this project, you could always transfer them over to another project, and if you did not request funds for the steel mill project, you could take it out of some other part of the total; is that correct?

"Mr. GAUD. The amounts we are asking for development are not committed to any project.

"Mr. PASSMAN. That is what I say. It is an illustrative program. Even though you may have no specific plans for the steel mill, at some subsequent date, after you receive the funds, you may decide it is more advantageous to build the steel mill than carry out some other project?

"Mr. GAUD. No. We are not asking money for specific projects."

The committee is of the opinion that future estimates for development loans should be justified on a country basis with definite loan applications on hand to back up the estimate for each country. In support of its position that such a presentation is possible, the committee points to the Latin America area, where on June 30 AID Washington had specific loan applications on hand in the amount of $285,552,000, in addition to $110 million in potential loans which were under negotiation on that date as indicated in the table below:

LOAN APPLICATIONS ON HAND AS OF JUNE 30, 1963

The following list of loan applications on hand as of June 30, 1963, totals $395.5 million:

Country and purpose	*Amount (thousands)*
Argentina:	
Irrigation network	$2,500
Modernization of river transport	1,770
School construction	6,558
Deciduous fruit production	698
Bolivia:	
Establishment, expansion and modernization of private industries	2,400
Drilling, exploitation and processing of crude oil	3,000
Construction of a tourist hotel	1,000
Supervised agricultural credit	3,700
Brazil:	
Electric power expansion	11,000
Cast iron pipe production	1,348
Brine industrial program	2,580
Chavantes hydroelectric power	10,000
Funil hydroelectric	2,000
Fortaleza power	2,400
Northeast Development Banks	20,000
Chile:	
Communications facilities	15,400
Development of timber property	3,000
Supervised agricultural credit	1,500
Fishing and canning plant	600
Feasibility studies	3,000
Housing	5,000
Colombia:	
Savings and loan associations	5,000
Health and medical facilities	7,000
Development bank	5,000
Supervised credit to small and medium industry	2,500
Colombia—Continued	
Capital for agricultural and small industrial loans	$2,000
Expansion of manufacturing facilities	5,000
Medellin sewerage	4,100
Baranquilla airport	6,800
Costa Rica:	
Metropolitan emergency water supply	1,400
Development bank	4,100
Ecuador: IBRD road program	13,500
Guatemala: Salama-Coban highway	6,000
Mexico:	
Housing institution	20,000
School construction	2,000
Agricultural school construction	2,000
Nicaragua: Electric power supply	370
Panama:	
Abattoir construction	300
Development bank	4,500
Peru:	
Expansion program of university	7,628
National highway development program	40,000
Aided self-help secondary roads	2,200
Construction of Pativilca hydroelectric plant	2,500
Hydroelectric power project Canon del Plato	2,200
Uruguay: Construction of primary classrooms	5,000
Central America:	
Housing	10,000
Fund for Central American integration	25,000
Program loans under negotiation between United States and recipient countries which cannot be identified by individual country in unclassified form until negotiations are completed	110,000
Total loan application, on hand June 30, 1963, in AID Washington headquarters	395,552

Inasmuch as the specific loan applications, exclusive of the loan applications in negotiation, are approximately 52 percent of the fiscal year 1964 estimate for development loans in Latin America, and if the additional $110 million of loans in negotiation are included, the percentage rises to approximately 70 percent, the committee is of the opinion that the Agency could and should have a separate project sheet for each loan by country which would supply all pertinent data on each proposed loan. With such information on hand, the committee would have a more businesslike basis upon which to recommend funds for this type of program. As it is now, the committee and the Congress are asked to appropriate funds in the dark, and can only hope that the Agency will approve during the year only those applications that are sound, worthwhile investments.

In addition, the estimates would not contain items such as the $20 million estimate for development loans for Israel which, according to the justifications, "rests increasingly on political comparisons rather than on an economic evaluation."

Such a presentation would also give the Congress itself an opportunity to approve or disapprove loan applications for specific projects such as the Bokaro steel mill project in India. As the program is presented to the Congress now, the only way the Congress can express its disapproval of a development loan project is through a specific prohibition in the authorization act. The committee is of the opinion that the Congress should have a strong voice in the decision as to how the U.S. taxpayers' money is to be spent overseas. As it is now, the Executive has the sole authority for this decision.

In connection with the Bokaro steel mill project in India on which the House has expressed its opinion, the committee was quite concerned to read that our Ambassador to India, Chester Bowles, made the following statement in a press conference in Calcutta on September 25 subsequent to House action on the authorization bill:

"Ambassador BOWLES. The next point that is important to remember, that this does not in any way change the amount of American aid money going to India. We had been planning to spend $500 million on Bokaro. We will now have $500 million we didn't have before to spend on something else. This now releases the same sum of money for other projects, assuming we continue to get the budgets we have had for aid to India. It is not a loss of income or aid money or grants or loans to India—it simply switches from one set of projects to another. For instance, there are projects which India is financing herself with her own foreign exchange, that you earn from the sale of jute, iron ore, and other products. We can take over some of those, releasing your own funds for Bokaro."

Such an attitude on the part of the U.S. Ambassador to India is hard to understand and, in the opinion of the committee, puts any project in India which the United States may finance in the future in a very questionable light. Based on its hearings on the Bokaro steel mill project, the committee is of the further opinion that there is no justification for the allocation of any funds contained in this bill for the oversea construction of steel mills.

The committee will expect, in connection with the fiscal year 1965 and future budgets, detailed justifications (or project sheets) on each individual loan proposed for each country in the development loan estimate.

The committee has noted the strong recommendation of the Senate Foreign Relations Committee that the executive branch take advantage of the authority of section 205 of the Foreign Assistance Act whereby up to 10 percent of development loan funds may be lent to the International Development Association for further relending. This Committee strongly opposes the use of section 205 by the executive branch on two counts. One, the United States has to date appropriated $196,978,700 to the association and included in another section of the bill is the recommended appropriation of $61,656,000 as the fiscal year 1964 payment, with an additional $61,656,000 due in fiscal year 1965. In addition, legislation has been introduced recently authorizing an additional U.S. contribution of $312 million to the association, with the first payment due in fiscal year 1966. Two, the committee is recommending in this bill the appropriation of $600 million for development loans on a bilateral basis with the understanding that, to quote Secretary Rusk, it "furthers our own national interest" which may or may not be shared by an international organization.

The committee is of the further opinion that appropriations to the International Development Association should first be authorized and then approved on the merits of the proposition, rather than on a "back door" basis as recommended by the Senate Foreign Relations Committee. Therefore, the committee has included in the bill a limitation providing that none of the funds contained in the bill may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

Mr. PASTORE. Mr. President, may I inquire how much time is left to me?

The PRESIDING OFFICER (Mr. INOUYE in the chair). The Senator from Rhode Island has 5 minutes remaining.

Mr. PASTORE. I yield 5 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. I have heard much discussion during this debate on the request and recommendation of the President. Of course, we all respect that recommendation. However, I am going to talk about the pending amendment from a different point of view. I am going to talk about our standing by the Senate and standing by the Congress, because only a few days ago we passed an authorization bill in the amount of $3,600 million. Of the figure now in issue the authorization bill approved more than the amount that is included in the Senate committee bill. It included $925 million and the Appropriations Committee cut it down to $800 million, as I remember the figures, and we are asked to further cut that amount to $600 million.

It seems to me that we must regard our own position, already solemnly expressed, as worthy of some consideration at this time. We fought 3 weeks on the authorization matter in this Chamber and the other body fought long periods of time. Then in conference the matter was tied up for a long time and we came out with a conference measure, which was approved by a heavy vote in the Senate by the very ones who are now asked to pass upon this amount, which is a somewhat smaller amount than that which we approved in the conference report. Before that authorization bill ever got to the White House we were asked to cut the entire measure some $600 million and were asked to cut the particular amount for development loans from $925 million to $600 million.

I do not believe that is the way to make the people of this country have confidence in the Senate and in the integrity of the Senate, particularly in the integrity of the final expression of the full Congress when a conference report, after all of the long debate, has been approved by Congress.

So, as far as I am concerned, I hope we will keep this particular bill—this appropriation bill—as near the conference report on the authorization measure as it is possible to do so, realizing perfectly well that the other body has seen fit to heavily reduce a large part of the authorization measure and that the real battle will be in conference.

If we proceed to cut down amounts so as to make our bill like the House bill, we shall indeed not only be ignoring the wishes of the President but we also shall violate the deliberate expression of the Senate and the expression of the Congress.

Mr. President, I do not believe that is the way to create confidence on the part of the public generally in the expressions of Congress. We enacted an authorization bill, worked out over a period of weeks, and before there is time to have that measure approved by the President, we—the same Senators and the same Representatives who gave our approval by a large majority to the authorization bill—come along and say we did not mean what we said. On the contrary, we are now asked to say that we meant something entirely different, and that we wish to cut down very heavily on the figures which we agreed to in the authorization bill.

I have a great deal of respect and confidence in the distinguished author of the pending amendment. I stuck by him in most of his fight on the authorization bill. The record will show except as to one vote on a $25 million cut—which, by the way, was proposed by the distinguished Senator from Oregon—I voted for every cut which we made during the authorization debate.

I voted for the conference report which was $100 million, roughly, less than the bill which we passed in the Senate. I believe when we have once set our hands to the plow and approved a conference report and an authorization bill, it ill becomes men of maturity and men of sound judgment to turn around and try to cut back $600 million of what we have worked out after long pain and great give and take and sincere effort.

I shall not be a party to approaching the matter in this way and I shall vote against the amendment.

Mr. PASTORE. Mr. President, I thank the Senator.

Mr. President, may I inquire whether there is any time remaining?

If there is any time left, I will yield it back. We are now ready to vote. I believe we have said everything that can be said on this subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. On this question 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 Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], 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 Michigan [Mr. HART], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Tennesee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Tennessee [Mr. GORE].

If present and voting, the Senator from Mississippi would vote "yea" and the Senator from Tennessee would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], 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.

If present and voting, the Senator from Colorado [Mr. ALLOTT], and the Senator from Kansas [Mr. CARLSON] would each vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Colorado 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 30, nays 54, as follows:

[No. 277 Leg.]

YEAS—30

Beall	Hruska	Proxmire
Bennett	Johnston	Robertson
Bible	Jordan, N.C.	Russell
Byrd, Va.	Jordan, Idaho	Smith
Cannon	Long, La.	Stennis
Cotton	McClellan	Symington
Curtis	Mechem	Talmadge
Ellender	Miller	Thurmond
Ervin	Morse	Williams, Del.
Gruening	Mundt	Young, N. Dak.

NAYS—54

Aiken	Goldwater	Metcalf
Anderson	Hartke	Monroney
Bartlett	Hayden	Morton
Bayh	Hickenlooper	Moss
Boggs	Holland	Muskie
Brewster	Humphrey	Nelson
Burdick	Inouye	Neuberger
Byrd, W. Va.	Jackson	Pastore
Case	Javits	Pell
Church	Keating	Prouty
Clark	Kennedy	Randolph
Cooper	Kuchel	Ribicoff
Dirksen	Lausche	Saltonstall
Dodd	Mansfield	Smathers
Douglas	McCarthy	Sparkman
Edmondson	McGovern	Williams, N.J.
Fong	McIntyre	Yarborough
Fulbright	McNamara	Young, Ohio

NOT VOTING—16

Allott	Hart	Scott
Carlson	Hill	Simpson
Dominick	Long, Mo.	Tower
Eastland	Magnuson	Walters
Engle	McGee	
Gore	Pearson	

So Mr. ELLENDER's amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORTON. Mr. President, I offer a pro forma amendment, to strike title 1 from the bill. I do this only to get some time. I shall not take more than a few minutes.

Mr. HUMPHREY. Mr. President, I ask the Senator from Kentucky if he is willing to yield to the distinguished Senator from Connecticut [Mr. DODD], who has an item that can be handled very promptly, and which has been cleared

on both sides of the aisle. If it takes more than 1 minute, it will be withdrawn.

Mr. MORTON. I yield for that purpose.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that this may be done.

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

DETENTION OF ESCAPED JUVENILE DELINQUENTS

Mr. DODD. Mr. President, Senate bill 1319, having to do with the detention of escaped juvenile delinquents, was passed by the House with two amendments—improving amendments, I may say. I have cleared this matter with the majority and minority leaders.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1319) to amend chapter 35 of title 18, United States Code, with respect to the escape or attempted escape of juvenile delinquents, which were, on page 1, lines 9 and 10 after "representative," insert "or from any institution in which he is confined by direction of the Attorney General, or from any custody under or by virtue of any process issued under the laws of the United States by any court, judge, or commissioner, or from the custody of an officer or employee of the United States pursuant to lawful arrests,", and on page 2 line 20, after "representative," insert "or of any person arrested upon a warrant or other process issued under any law of the United States or from any institution in which he is confined by direction of the Attorney General,".

Mr. DODD. Mr. President, I move that the Senate concur in the House amendments.

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

The motion was agreed to.

Mr. HUMPHREY. I thank the Senator from Kentucky for his graciousness and courtesy.

THE COFFEE AND TAX BILLS BEFORE THE SENATE COMMITTEE ON FINANCE

Mr. MORTON. Mr. President, in this morning's Washington Post there is an editorial under the head of "Coffeemanship."

The editorial starts as follows:

A minor tempest in a coffee cup threatens to delay approval of a noncontroversial piece of legislation needed to confirm this country's adherence to the International Coffee Treaty.

I ask unanimous consent that the editorial be placed in the RECORD at this point in full, because I shall not read it in its entirety.

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

[From the Washington Post, Dec. 19, 1963]

COFFEEMANSHIP

A minor tempest in a coffee cup threatens to delay approval of a noncontroversial piece of legislation needed to confirm this country's adherence to the International Coffee Treaty. Last week, we urged the Senate Finance Committee to approve the short implementing legislation already passed by the House. The deadline for approval is the end of this month, and it was our feeling that a housekeeping detail could be cleared up without delaying consideration of the tax cut bill now before the Finance Committee.

Chairman HARRY F. BYRD promptly sent us a letter pointing out that the administration itself had first requested and then canceled its request for hearings on the coffee legislation. What happened was a case study in deft one-upmanship on Mr. BYRD's part—a ploy that succeeded because the administration unwisely fell into the chairman's trap.

Earlier this month, Senator BYRD requested the State Department's views on the legislation. Frederick G. Dutton, the Department's legislative chief, signed a routine letter in which he strongly recommended "early favorable action on the bill." So Mr. BYRD scheduled hearings and it became obvious that the chairman would be able to use this pretext for further delaying action on the tax bill.

The next day, on December 12, the administration became aware of Mr. BYRD's intent and Mr. Dutton fired off a second letter urging hearings "only after completion of the tax bill." Because the administration made too sweeping an endorsement of prompt action it wound up by making too sweeping a reversal. The administration should have said that it wished prompt approval of the coffee bill but not at the price of prolonged hearings.

In the meantime, coffee producing countries are caught in the middle and the good faith of this country is jeopardized by one-upmanship. Surely the committee could dispose of the short bill in an hour or so. Mr. BYRD has won his gambit. Now it would be sportsmanship, and statesmanlike, to send the bill through his committee.

Mr. MORTON. The editorial continues:

Chairman HARRY F. BYRD promptly sent us a letter pointing out that the administration itself had first requested and then canceled its request for hearings on the coffee legislation. What happened was a case study in deft one-upmanship on Mr. BYRD's part—a ploy that succeeded because the administration unwisely fell into the chairman's trap.

Mr. President, the first thing I want to say is that HARRY FLOOD BYRD never laid a trap for anybody.

Another thing is that when the editorial writers talk about the coffee bill as being a noncontroversial, minor piece of legislation, they do not know what they are talking about. When the price of coffee goes up 1 cent, it costs the housewives of America $35 million; and it has gone up 6 cents in the last few months. So I do not think it is a noncontroversial piece of legislation.

Let us get the history and the record straight with respect to what happened in connection with coffee legislation. The Finance Committee agreed with its chairman that it would set aside the tax bill for 1 day, and have hearings for one morning, and meet in executive session that afternoon, to dispose of this matter one way or the other.

A letter was sent to the Finance Committee on December 11, signed by Frederick G. Dutton, Assistant Secretary of State. I am in no way criticizing Assistant Secretary Dutton. I once had the job he now has. It is a tough job. I believe he is taking the brunt of this controversy as a good soldier, and I compliment him for it.

But this letter was delivered on December 11, and after it was delivered to the committee, after it was sent here by the State Department, which requested hearings, Mr. Dutton himself called and stated that the White House wanted him to withdraw the letter.

Mr. President, I ask unanimous consent that this letter, marked "No. 1," be printed in full in the RECORD.

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

DECEMBER 11, 1963.

The Honorable HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: I am writing in reply to your request for the Department's views on H.R. 8864, a bill now pending before the Senate Finance Committee.

Following advice and consent by the Senate to the ratification of the International Coffee Agreement, Secretary Rusk transmitted to the Congress on June 1 legislation to carry out the obligations of the United States under that agreement. This legislation was passed by the House with amendments that are entirely acceptable to the Department.

The Department strongly recommends early favorable action on the bill, not only for the reasons outlined in the Secretary's letter of transmittal, but also because the International Coffee Agreement, which is only provisionally in force, will expire if ratification is not completed by December 31 of this year. Early action on the bill, that is, before the end of the current calendar year, is, therefore, a matter of urgency.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report and that enactment of H.R. 8864 would be fully in accord with the program of the President.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

Mr. MORTON. Then came another letter, on December 11, which is designated as "No. 2," and which I ask unanimous consent to have printed in the RECORD.

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

DECEMBER 11, 1963.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: I am writing in reply to your request for the Department's views on H.R. 8864, a bill now pending before the Senate Finance Committee.

Following advice and consent by the Senate to the ratification of the International Coffee Agreement, Secretary Rusk transmitted to the Congress on June 1 legislation to carry out the obligations of the United States under that agreement. This legislation was passed by the House with amendments that are entirely acceptable to the Department.

The Department strongly recommends early favorable action on the bill for the reasons outlined in the Secretary's letter of transmittal.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report and that enactment of H.R. 8864 would be fully in accord with the program of the President.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

Mr. MORTON. That letter indicates that they want the coffee hearings after the tax bill, but implies that the tax bill would be passed before the Christmas recess, which we all know is impossible.

After that letter, another letter, No. 3, came, 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:

DECEMBER 12, 1963.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to confirm my telephone call today to Mrs. Elizabeth Springer, chief clerk of the Senate Finance Committee, requesting that hearings on H.R. 8864 be scheduled after completion of the committee's consideration of the tax reduction legislation now before it. This is consistent with the Department's letter of December 11, sent in response to the committee's request of November 18 for comments on H.R. 8864, and asking that early favorable action be taken on this bill. Hearings on the measure are sought, however, only after completion of the tax bill now before the committee.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report, and the request reflects the position of the executive branch on this matter.

Sincerely yours,

FREDERICK G. DUTTON.

Mr. MORTON. In this letter it is stated that hearings are still wanted on the coffee bill; that they want action expedited on it, but after the tax bill.

Finally, at the insistence of the staff of the committee, a clarifying letter, No. 4, dated December 18, was submitted, in which it is stated that they want the hearings on the coffee bill in January, after the committee disposes of the tax bill.

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:

ASSISTANT SECRETARY OF STATE,
Washington, D.C., December 12, 1963.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to confirm my telephone call today to Mrs. Elizabeth Springer, chief clerk of the Senate Finance Committee, requesting that hearings on H.R. 8864 be scheduled after completion of the committee's consideration of the tax reduction legislation now before it. I understand that committee action on the tax cut bill will not be completed until after the first of the new year and consequently ask that hearings on H.R. 8864 be scheduled in January if at all possible.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report, and the request reflects the position of the administration on this matter.

Sincerely yours,

FREDERICK G. DUTTON.

Mr. MORTON. During an executive session of the committee in considering this matter, in examining the various letters, the committee authorized the chairman to call the President of the United States, which he did, to find out what we were supposed to do; what he wanted us to do. We were willing to do what he wanted. The President told chairman BYRD, "Leave this coffee legislation until you get through with the tax bill."

That is the procedure this committee has followed.

While I am on the subject, let me say that the chairman of the Finance Committee has taken much abuse, not only in the Washington Post, but elsewhere, in being charged with dilatory tactics in connection with the tax measure. He is doing more to expedite action on the bill than is any other member of the committee. He is urging us to get on with our work, to get on with the amendments, and to get moving. I was not very diligent in attending the public hearings as a member of the Finance Committee. I had a member of my staff digest them, and I had a summary of what was said every morning; but the chairman was always present.

The committee meets at 10 o'clock. In marking up the bill and passing on amendments, a quorum must be present. A quorum is not needed at the hearings. The chairman is present at 10 o'clock in the morning, and so is the ranking minority member of the committee, the Senator from Delaware [Mr. WILLIAMS]. It is no secret that they are opposed to the bill, but they are at the committee meetings at 10 o'clock. I may get there at 5 or 10 minutes after 10, since we have had executive hearings on the bill. I point out that the proponents of the bill, those who champion the bill, are not found in the committee until 10 minutes after 11 or 12 o'clock. The day before yesterday we could not obtain a quorum until 10 minutes of 11. Five of us were there waiting 50 minutes—not those who are champions of the bill, but those who, for the most part, oppose it. It is no secret that I am for the bill.

I want to make it abundantly clear on the floor of the Senate that the editorial in the Washington Post is in no sense justified. Anyone who says HARRY BYRD laid a trap does not know what he is talking about. He has done no such thing. I am sure any member of the committee will support me in my statement that he is doing as much as anyone else to expedite action on that measure, even though he is opposed to it. This criticism of him is grossly unfair and a reflection on one of the great men in the U.S. Senate, and the fairest chairman I have served under in any committee in either the Senate or the House.

Mr. WILLIAMS of Delaware. Mr. President, I wish to join the Senator from Kentucky in paying his respects to the chairman of the Committee on Finance. No one could be fairer in expediting legislation, whether he is for it or against it, than the chairman of our committee. Certainly he has been more diligent in attending to his duties than any other member of the committee.

So far as the coffee agreement is concerned the Senator from Kentucky is 100 percent correct. Sometime ago the committee scheduled hearings, and the State Department had told us that they were ready for the hearings. They were given full assurance by the committee, even by those who may be opposed to the coffee agreement, that we could confine the hearings to one meeting and that we could hold an executive session and act on it on the same day. We assured them there would be no delay.

The State Department, as the Senator from Kentucky has pointed out, first stated that it was urgent that action be taken by Congress by the 31st of December, under threat of dire circumstances developing if we did not do so.

Within 36 hours, as the records will show, they did a complete changeover and ended by asking us to delay the hearings until the beginning of next year. The Senator is 100 percent correct. The State Department must assume the full responsibility for the change. Perhaps there was a good reason for the change; however, they should accept the responsibility for it and not charge the chairman with the responsibility when he was willing to expedite consideration of the matter.

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

Mr. MORTON. I yield.

Mr. FULBRIGHT. I agree with what the Senator says about the editorial. It is wholly unjustified. It is my view that the administration made a mistake and that the editorial writer did not understand the real situation. The administration was clearly in error.

An agreement had been entered into at the time the coffee agreement was made that the State Department would not proceed to deposit the instrument of ratification until the implementing legislation had been passed. Then it became evident that the session would continue for a long time and that it would be difficult, if not impossible, to pass on the legislation before the end of this year. It was recalled that certain other Members would have to deposit the instrument of ratification or the whole agreement would collapse. Clearly a mistake was made in the administration.

Subsequent to that time, Mr. Dutton, of the State Department, inquired about submitting a letter to the chairman of the committee which would enable them to live up to their promise about the legislation and at the same time enable them to deposit the instrument of ratification. They pledged their word they would not do anything or take any action which would be prejudicial to freedom of action in Congress on the implementing legislation. They wanted to have approval on the filing of the instrument of ratification only. I showed the letter to the chairman the other day. If my memory serves me correctly, he did not have any objection to that procedure.

So far as the editorial is concerned, I believe it was based originally on a mistake made by the administration. The editorial is wholly unjustified, as the Senator has said.

Mr. MORTON. Mr. President, I thank the Senator. I am not debating the merits or demerits of the coffee agreement. I know that from a practical standpoint it is meaningless unless we go along, because we consume about half of the world's coffee. I am not criticizing the administration for this mis-

take. This kind of mistake has happened in the past. However, I was constrained to rise because I did not like the attack that was being made on the chairman of our committee.

Mr. FULBRIGHT. The Senator is correct. The editorial is completely unjustified.

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

Mr. MORTON. I yield.

Mr. DOUGLAS. Mr. President, I wish to confirm the statement made by the Senator from Kentucky regarding the coffee situation. We were urged by the administration to deal promptly with the implementing legislation, and we set aside last Monday as the day to act. Then a bewildering succession of letters followed. They were almost impossible to keep up with. Finally we were begged not to hold the session. The chairman was put under heavy pressure not to hold the session. It is unfair to blame him for what happened.

Now there is a very interesting future problem. The Senator from Arkansas has implied that the State Department has deposited the treaty. I thought it was not to be deposited until the Senate had approved the implementing legislation. The Senate has not approved it, but I infer that the treaty has either been deposited or will be shortly. The Senator from Alaska and I together with other Senators, voted against the treaty. I voted against it because, though I am sympathetic toward the position of the Latin American countries, I am afraid we shall be asked to support all the commodities of Africa and Latin America—the prices of which have fluctuated in the world market and in the main decreased. We may be called upon to hold up the world commodity price not only of coffee, but also cocoa, and the operation may range to other commodities. I am afraid it will cost our consumers in the United States hundreds of millions of dollars.

It may be that this is the policy which we should follow. I am very dubious about it. I cannot conscientiously vote for the treaty.

Now the treaty has been deposited as I infer from the Senator from Arkansas or shortly will be although an agreement had previously been reached that it would not be deposited until after the implementing legislation had been approved.

When the implementing legislation comes up, it will, of course, be said that it would be very ungracious on our part to withdraw a treaty which had already been deposited. Moral pressure will be put upon the Senate to approve the implementing legislation. In short, if there has been a ploy, it has been a ploy by the State Department to force the Senate into a position in which it will be compelled to ratify a measure to which some of us may have objection. I hope this is not a ploy on the part of the State Department and I would welcome a pledge of good faith on their part that they will not deposit the treaty unless and until the Senate has approved the implementing legislation. That was the original pledge. It was the understanding when orders were reversed and we were asked to delay instead of to expedite the implementing legislation. If it is not carried out someone will be guilty of a flimflam. It will not be the Senator from Virginia. It will not be the Senator from Illinois. I may be old fashioned and unable to play the Washington game. But I have always thought pledges should be carried out.

Mr. FULBRIGHT. I do not believe that the State Department was at fault. There are some new people at the White House. I honestly believe that they were not aware of what they were undertaking to do with regard to depositing the instrument of ratification. I do not believe they understood it. I believe this from my conference with Mr. Dutton; namely, that they were crossed up by the request not to suspend the hearings that had been planned. That is my belief of what happened.

The coffee agreement is not a part of the support program. All it imposes upon us is a reporting duty, to report the origin of the coffee. There is nothing in the authorization which would cause us to spend hundreds of millions of dollars in support of anyone's prices. We agreed to cooperate with countries which are producers of coffee, in reporting the origin of the coffee which comes into this country. What they are trying to do is stop the very serious overproduction with which they are plagued. We very properly are sympathetic with that aim. I do not believe it will result in a great support program.

I understand the Senator from Illinois has in mind a support program similar to the support program on wheat and other commodities. That is not involved.

Mr. DOUGLAS. For years that is what was done for sugar, and the Senator from Arkansas and I were the only two Members of the Senate who voted against it.

Mr. FULBRIGHT. The Senator is correct. We do not make any commitments in the coffee agreement to support any prices under it. There is no authority to do so.

All we would really do in the implementing legislation would be to provide the mechanics for reporting to the producers what the origin of the coffee is. The allocation of it is in no way dependent upon a price that we commit ourselves to pay. I do not wish to leave the impression that we are undertaking a support program, because I do not believe that is so.

Mr. DOUGLAS. I hope that is correct. I am sure the Senator from Arkansas speaks correctly. We do not have implementing legislation before us, and we do not know what would be its contents. We know that the producing countries are most desirous of having the support of the United States in maintaining and increasing the price of coffee. I think this is a proper question to raise.

We also know that behind the coffee agreement is a cocoa agreement, which, as I understand, is a price-fixing and output-restricting agreement. As I say, it may be that we should adopt these measures; but they are grave matters of public policy, and huge sums of money are involved. I think it is appropriate that we look into these questions. The State Department, or whoever was in charge of this matter, said we made some extraordinary "boners" in this connection.

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. For example, incompetence. While I differ with my chairman (Mr. BYRD of Virginia) on most matters of tax policy, and shall probably continue to differ with him, I think that in this respect he is completely faultless. The blame lies somewhere else.

I conclude by saying that I believe the Washington Post is a great newspaper.

Mr. GRUENING. Mr. President, will the Senator from Arkansas yield, so that I may address a question to him?

Mr. FULBRIGHT. I yield.

Mr. GRUENING. Does the chairman of the Committee on Foreign Relations know whether the increase of 6 cents a pound, to which the Senator from Kentucky [Mr. MORTON] has referred, is a result of the negotiations? Has it any relation to the treaty?

Mr. FULBRIGHT. The treaty is not yet in effect. I do not know how to explain the increases in the stock market or the increase in the price of sugar from 3 cents a pound to 10 cents a pound. The price of coffee responds to influences that I do not understand; but it could not be as a result of the agreement, because it is not yet in effect.

Mr. GRUENING. Could it be psychological?

Mr. FULBRIGHT. It could be; I do not know. However, there is now a vast oversupply of coffee. A huge supply is in storage. Speculation takes place in other products, such as salad oil, about which we have been reading. I do not know what is the factor. I do not see how it could be said that it is a result of the agreement, because the agreement has not yet gone into effect. It does not impose any duty on us to support any price. We would cooperate with other countries in reporting where the coffee came from and enabling them to try to establish some kind of equitable limitation among themselves, because utter chaos exists in many countries which produce coffee.

Rather than to say the agreement would have the effect of supporting prices, most likely it would have the element of bringing stability into the market, so that the price would not gyrate in such violent fashion from year to year, and thus disturb the economy of the countries which produce coffee.

Mr. MORTON. Mr. President, I yield back the remainder of my time.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Arkansas to enable him to make an insertion in the RECORD.

TRIBUTE TO PRESIDENT KENNEDY BY SAM FAUBUS

Mr. FULBRIGHT. Mr. President, Mr. Sam Faubus, one of my esteemed constituents and a good friend, recently wrote one of the most succinct and eloquent tributes to President Kennedy that I have seen. This tribute to our late

President appeared in the Madison County Record, which is published in Huntsville, Ark. The Madison County Record is owned by the Governor of Arkansas, who is the son of Mr. Sam Faubus.

Sam Faubus was introduced to President Kennedy when the President dedicated the Greers Ferry Dam in Arkansas this fall.

I ask unanimous consent that the letter by Mr. Faubus be printed at this point in the RECORD.

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

COMBS, ARK.

DEAR EDITOR: I am stunned and bewildered. I don't seem to be able to realize that the bright-eyed, dark sandy-haired young man that greeted me with a smile and a warm handshake and told me he had received a nice letter from my daughter, Bonnie, in California, only a few days ago, now lies murdered by the hand of an assassin.

When history has rendered its verdict it will place the name of John Fitzgerald Kennedy as one among the greatest Presidents this country has had since the time of Abraham Lincoln. He has done more for peace and freedom in the 3 short years he has been President than any man in our Nation's history.

Children will read about John Fitzgerald Kennedy in their history books for generations to come, and men believing in liberty, justice, and freedom will revere his name throughout the entire world.

SAM FAUBUS.

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. MORTON. Mr. President, I withdraw my pro forma amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. *PASTORE*. I yield 2 minutes to the Senator from South Carolina.

MEMORANDUM DIRECTED TO HEADS OF DEPARTMENTS AND AGENCIES OF FEDERAL GOVERNMENT BY PRESIDENT JOHNSON

Mr. JOHNSTON. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum directed to heads of departments and agencies of the Federal Government by President Lyndon B. Johnson, who asks that a personal message from him be conveyed to all Federal employees.

In response to the unspoken question spontaneously asked by the men and women of the Federal service, "What can I do to help?", President Johnson replies: "Give your best to your job and your country." We can never forget that it was our late President John F. Kennedy, who enjoined us all to seek our country's needs.

As chairman of the Committee on Post Office and Civil Service, and as a friend of the Federal employee, I welcome this message from President Johnson and I am sure that his words will be heeded by the loyal and devoted corps of Federal employees everywhere who have always responded to every challenge with devotion and pride in their work.

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

THE WHITE HOUSE,
Washington, D.C., December 13, 1963.

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

I ask that you convey this personal message to all of your employees:

In these first days, men and women of all ranks within the government have asked me, "What can I do to help?" Many more of you, deeply committed to the Federal service, are undoubtedly asking yourselves the same question. It is impossible for me to make a direct and personal response to all of you, much as I would like to do so. Yet there is an answer which I would like to express to every employee in every agency at every location in the Federal Government. It is simply this: "Give your best to your job and your country."

As your Chief Executive, I will do my utmost to maintain the high quality and character of the career service in the Government and to advance its usefulness through improvement. I will look to those who direct the day-to-day activities of this great work force and to the Chairman of the Civil Service Commission for continuing reports and recommendations to assist me in this purpose.

We have a great resource of abilities and talents among the people serving our Federal Government. We have career systems to assure continuity of people and programs. We are organized for the job, and the work is before us. President Kennedy did not shrink from his responsibilities, but welcomed them, and he would not have us shrink from carrying forward the great work he began so well. I say to you as I said to the Congress: "Let us continue."

LYNDON B. JOHNSON.

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. ELLENDER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 17, it is proposed to strike out $1 billion and insert in lieu thereof $977,700,000.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to reduce the amount of the military assistance fund to $1 billion, which is the amount provided in the authorization bill. Arguments have been advanced here this afternoon that we should try to keep this bill as close as possible to the authorization bill. This is what I seek to do with this amendment. In fact, if this amendment is adopted there will be appropriated for military assistance the precise amount which was authorized by Congress a few weeks ago.

The bill as adopted by the House and the Senate Appropriations Committee provides a total of $1,022,300,000, or $22,300,000 more than was authorized.

I hope the Senate will agree to reduce the amount for military assistance to $1 billion, the amount authorized. I urge the Senate to adopt my amendment.

Mr. PASTORE. Mr. President, the point made by the distinguished Senator from Louisiana has much merit. The authorization for military assistance was $1 billion. It is all unobligated money. It had not been spent. There was a surplus of $22.3 million that the House reappropriated. The purpose of the amendment is, more or less, to delete that amount from the military assistance fund.

I have discussed the amendment with the ranking Republican member of the Committee on Appropriations and am perfectly willing to accept the amendment and take it to conference.

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

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was adopted be reconsidered.

Mr. GRUENING. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I move to strike title 6, on page 21, lines 1 through 20.

This is a pro forma amendment. I shall speak on another subject and yield myself 10 minutes.

THE ALLIANCE FOR PROGRESS—ANOTHER CHANCE

Mr. JAVITS. Mr. President, I wish to speak today briefly on the Alliance for Progress in response to the major move just made by the President in an effort to unify authority within our Government over Latin American affairs. He has appointed both as his White House aid for Latin American policy matters and as Assistant Secretary of State for Inter-American Affairs, Ambassador Thomas C. Mann. Thus the President is seeking to be sure that we speak with one voice concerning Latin American policy.

In my opinion, the Alliance for Progress is at the crossroads. It is an extremely vital program to our freedom and security; hence, as Mr. Mann—whom I know and admire as a personal friend, and who is a real leader in the field of Latin American policy—is about to take over direction of our Latin American policy, I felt that such views as I had upon this grave subject should be made known before the Senate recessed for the Christmas holidays.

I speak today, not as a critic, but as one whose thoughts might help to chart a new policy—a policy of realism—for an alliance for success. The hour is late and there is much trouble in Latin America and more may be impending.

Mr. President, my qualifications for making this analysis are, I believe, fair. Not only have I interested myself deeply in Latin America during the 15 years I have served in the Congress, including 8 years of service on the Foreign Affairs Committee of the House of Representatives, but I am also, in cooperation with the distinguished Senator from Minnesota [Mr. HUMPHREY], currently engaged in a major effort designed to

bring a massive influx of capital and technical assistance from the United States, Western Europe, and Japan to Latin America.

Mr. President, the future of the Alliance for Progress and the economic prospects for the peoples of the other American states are in the balance. I believe that we must take at least five steps to reconstitute the Alliance for Progress. We must attempt to convert it from a program struggling to keep afloat into an effort founded on self-help and mutual cooperation which is capable of using the winds of social and economic revolution to arrive at a safe harbor of peace.

These five steps are:

First. The United States should join the countries of the hemisphere in a supreme effort to transform the Alliance into an effective political movement, and to galvanize Latin American public opinion into action behind it.

Second. The United States should concentrate the resources it makes available to Latin America under the Alliance in the countries with the greatest economic and political potential.

Third. The United States should be ready to use its forces, consistent with the Inter-American Treaty for Reciprocal Assistance, if called upon by duly elected governments in self-defense against Communist subversion or terror, and lend its full support to collective action by the nations of the hemisphere.

Fourth. It is essential that the United States revise its trade policies toward Latin America and put its full support behind the formation of a Hemispheric Common Market.

Fifth. The United States should devise new incentives for private capital as an inducement to bring new enterprise and new capital into Latin America.

For the "winds of revolution" in Latin America—about which much is said, and little understood these days—have been blowing and gaining force since the first wars of independence from European powers were waged and won in the 19th century. Originally inspired by our own Revolution and the ideas of Bolivar, San Martin, Artigas, Hidalgo, and other Latin American patriots, this upheaval has taken on an urgency calling for a major effort on our part to supply it with new inspiration.

The basic causes of this upheaval are not difficult to discern; centuries-old poverty of unbelievable proportions; short life spans for the people; failures of social justice and the absence of meaningful land reform, of human dignity, and an erosion of faith among the people in the ability of the democratic process to bring about substantial and rapid enough improvement in the economic welfare of the masses. The growing agitation is fed by worsening terms of trade and economic and social conditions and is creating almost intolerable tensions in the body politic of Latin America and in the relationship among the countries of the Western Hemisphere.

The situation confronting the hemisphere is of overpowering dimensions. In the last decade, the population of Latin America rose from 163 million to 206 million, an annual increase of more than 4 million or 3 percent annually—one of the highest birth rates in the world—while gross national product rose from $38 billion to only $55 billion. Per capita gross national product rose from $230 in 1953 to $265 in 1961, and since that year, per capita gross national product has fallen. Prices received from Latin America's exports have steadily declined since 1954, from an index value of 120—1958=100—to 93; and the terms of trade have gone against Latin America—a given volume of Latin American exports now buys only 89 percent as much from the industrial regions of North America and Europe as it did in 1957.

While U.S. economic assistance increased from $450 million in 1960 to $1.4 billion in 1962, the flow of new capital from the United States has almost dried up. The majority of the adult population in Latin America remains illiterate. Brazil is faced with political instability and rampant inflation; the Dominican Republic, Honduras, and Ecuador are undergoing trials for democracy, a legacy of past military takeovers; Paraguay and Haiti show little promise of release from military dictatorship; Peru, Bolivia, and Argentina are facing grave social and political pressures; meanwhile the Communists are hard at work to foment, for their purposes, popular movements based on legitimate discontents.

Our response to these challenges was the Act of Bogotá signed under the Eisenhower administration and the Alliance for Progress, a joint program of action established at Punta del Este by representatives of the 20 member nations of the OAS on August 17, 1961. The Alliance for Progress is "to enlist the full energies of the peoples and governments of the Latin American Republics in a great cooperative effort to accelerate the economic and social development of the participating countries of Latin America, so that they may achieve maximum levels of well-being, with equal opportunity for all, in democratic societies adapted to their own needs and desires." These goals include a minimum average per capita income growth of 2½ percent per year, more equitable distribution of national income, elimination of illiteracy by 1970, an increase in life expectancy of at least 5 years, enactment of comprehensive land and tax reforms, and encouragement of private enterprise.

To carry out this program it was estimated that $100 billion would have to be invested in Latin America during the first decade. The bulk of this—some 80 percent—is to be financed locally from public and private funds. The United States agreed to underwrite over 10 percent of the $20 billion to be supplied from sources outside Latin America; with private U.S. investors hopefully expected to furnish $300 million a year or $3 billion over a 10-year period.

The Alliance is now 2 years old. With such a short perspective, it is difficult to assess its achievements and shortcomings. Under the Alliance, the Latin American nations are learning to work together for the first time and to combine for self-help and mutual cooperation in taking responsibility for the fulfillment of the Alliance. The Alliance is also serving a vital function by making reforms respectable—a whole generation of young technicians eager to modernize their societies have been reinforced by the new and sympathetic endorsement of their goals on the part of the United States. The Alliance has made such painful measures as land and fiscal reform respectable. It has instilled a new sense of direction, a new point of reference from which to attack the vast and unresolved problems Latin American States have heretofore faced with less chance of success. On the other hand, despite the Alliance, one could point to the decline in new private capital flowing into the area, a decline in U.S. aid commitments and in actual outlays; and the need, now probably to be realized under Ambassador Mann, for streamlining the policymaking structure within the U.S. Government dealing with the Alliance.

But the underlying problem of the Alliance is in the political arena. The problem is well defined by Tad Szulc, a New York Times foreign correspondent in Latin America for the past 10 years, in his new book, "The Winds of Revolution":

> There still seems to be little realization in the politically mature West that the Latin American social revolution inherently has a political content, and that it cannot be treated solely as a statistical problem of increasing production, distributing wealth more equitably, and providing educational and health services. Though these material needs must, of course, be filled, there also is an abysmal political void in Latin America that will invite other ideologies if democracy cannot make its influence felt. And it may be more urgent today to fill this vacuum than to offer another billion dollars or even to raise the annual per capita income by 2.5 percent, as the Alliance for Progress unrealistically prescribes. For there is in Latin America a profound feeling of unrest, unfulfillment, and frustration among intellectuals, students, politicians, and the middle class. There is a hunger for a new orientation that sends Latin Americans in increasing numbers to the meccas of Havana, Peiping, and Moscow—in that order—and makes so many of them challenge the meaning of Western representative democracy and raise the question, "Why should we follow the United States?"
>
> More than 2 years after President Kennedy proposed the Alliance for Progress, this country has not yet provided an answer to this question in political terms fully satisfying to the Latin Americans. Although the Alliance is slowly beginning to be considered in terms of a political concept instead of merely an aid and self-help proposition, it has not yet been able to generate the political excitement and mystique that is vital for the success of the democratic social revolution President Kennedy has invoked.

The forthcoming decade is going to test our capability to understand the dynamics of social revolution and our ability to give its direction and fulfillment. In Latin America today, we are engaged in a broad political contest with the forces of communism and radicalism. If we fail to understand this, no amount of economic aid is going to help.

Yet this ferment should not be alien to us. It is not unlike the other struggles we have had in our history.

As a necessary first step, the United States should join the countries of the hemisphere in developing a political

mystique which exceeds the narrow boundaries of nationalism in order to transform the lofty objectives of the Alliance into a program of social and political action which is meaningful to the masses of Latin America, and to weld the scattered forces of democracy—the liberal political parties, the new generation of young intellectual, professional, and industrial leaders, the democratic labor movement, the churches—into a united dynamic force.

Resolution E adopted at Punta del Este in 1961 offers an excellent means to this end. Entitled "Public Opinion and the Alliance for Progress," the resolution recognized that "in order to reach the Alliance's objectives it is essential that public opinion be fully informed of the causes that have brought about this movement, of the goals it seeks, and of its successive achievements." To implement it, the resolution calls for six concrete steps:

First. The convocation of a special meeting on information media to develop a plan of action.

Second. The Department of Public Information of the OAS to give preferential attention to the dissemination of information on the efforts to be undertaken and to take other specific steps.

Third. Information media of all types to direct their efforts to increase the awareness of Latin American countries to each others problems.

Fourth. The establishment of educational centers to disseminate knowledge of the social and economic development inspired by the Alliance.

Fifth. Members of the OAS to promote holding of conferences, seminars, and roundtables to report and discuss the main economic and social problems of the hemisphere and their possible solution within the Alliance.

Sixth. To call on public opinion, trade unions, labor, and student organizations to become aware of the social implications of the Alliance and to take an active part in the dissemination of information on its objectives.

The implementation of these steps is an essential first step to galvanize Latin American public opinion into action, to the evolution of the Alliance into a political movement, and to make the Alliance democracy's answer to radicalism.

During March 1962, meetings were held by a newly created OAS Technical Advisory Committee on Public Information to search for means to implement Resolution E. The key recommendations made by the Committee calls for the establishment of national committees in the member states of the OAS.

The principal function of these committees is to promote and encourage the efforts and initiative of various groups, representatives of all the social sectors of the peoples of the Americas, to give effective impulse to the development of the Alliance for Progress program—an impulse which is woefully lacking at the present and without which the Alliance will surely fail. On May 2, 1962, the Council of the OAS, in approving this recommendation, called on governments to facilitate the formation of such national committees whether of an official, semiofficial, or private nature.

As of today, no such committee for the Alliance for Progress has been created in the United States, while 16 of the 19 Latin American countries—all except Bolivia, Haiti, and Paraguay—have formed such committees. It should become an objective of the highest priority to our Government, to our free press, to our private foundations, to our civic organizations and to our public-spirited citizens to organize a U.S. Committee for the Alliance for Progress in an effort to increase the awareness of our own people of the enormous importance and implications of the Alliance to the future of the hemisphere.

So I direct the attention of Ambassador Mann to this problem as the first item of high priority in connection with the task of saving the Alliance.

Second, U.S. economic aid funds under the Alliance should be concentrated in selected Latin American countries with the greatest economic and political potential.

The Alliance has available to it limited resources. These limited resources spread over 19 countries would find it hard to make a major impact in any of them. Instead, the limited external resources committed to Latin America by the United States should be directed in large measure to countries where opportunities exist for rapid economic expansion, countries where there is some hope for success in the near term, countries with strategic significance to the success of the Alliance and to the security of the hemisphere. We should make a major effort to achieve a breakthrough in such countries and should we succeed, these Latin American countries in turn could become centers of strength for their fellow countries.

Let us concentrate our capital resources committed under the Alliance in these countries. To the others let us extend our full cooperation in the field of technical assistance, education, health, transportation, and so forth, and enlist the support of the Inter-American Development Bank, the Development Assistance Fund of the OAS—established at the São Paulo Conference in mid-November 1963—and make every effort to make them the beneficiary of the full range of progress now being made through the Inter-American Economic and Social Council.

Third, the United States should be ready to use its forces consistent with the Inter-American Treaty for Reciprocal Assistance if called upon by duly elected governments in self-defense against subversion and terror—including aggression from Cuba or other similar efforts from outside the hemisphere—and lend its full support to collective action by the nations of the hemisphere. The Inter-American Treaty for Reciprocal Assistance signed at Rio de Janeiro in 1947 makes any collective action—including the recall of chiefs of diplomatic missions, the breaking of diplomatic and consular relations, partial or complete interruption of economic relations, or communications—mandatory, if two-thirds of the 20 member countries so decide, except that no member is required to use its armed forces without its consent.

The organized terror campaign waged against the government of President Betancourt incident to the recent Venezuelan elections provides a primary example of a situation Latin American countries should be in a position to defend themselves against. President Betancourt has accused the Cuban Government of having interferred in the internal affairs of Venezuela and has proposed that the OAS adopt stern collective measures against Cuba if evidence of clandestine Cuban shipments of arms to Venezuela is confirmed.

I believe we should support President Betancourt to the hilt. This may be the first example of what can be done in the Americas to correct an intolerable situation. There is ample authority under the Rio Treaty for taking such action.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself 4 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 additional minutes.

Mr. JAVITS. If the President of the United States feels that he needs a congressional resolution to enable him to do that, I am sure there are a dozen Senators in the Chamber, including myself, who would gladly sponsor such a resolution. The Senator from Oregon [Mr. MORSE], chairman of the Subcommittee on Latin American Affairs, the Senator from Minnesota [Mr. HUMPHREY], and other Senators would be ready to give him the added power needed to protect freedom and democratic institutions in any country that seeks our protection, especially when we can act collectively with other American States.

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

Mr. JAVITS. I yield.

Mr. MORSE. I wish the record to show that I join the Senator from New York in the proposals he is making.

Mr. JAVITS. I am grateful to the Senator from Oregon.

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

Mr. JAVITS. I yield.

Mr. HUMPHREY. I should also like to state for the record that I join the Senator from New York in the proposals that he is making.

Mr. JAVITS. I am grateful also to the Senator from Minnesota.

Fourth, a revision of current U.S. trade policies toward Latin America will be necessary to make the Alliance successful. We are firmly committed to help the economic and social development of Latin America through the Alliance. Much of our economic assistance will be nullified unless we can assist Latin America to broaden its markets in the United States and Western Europe. Important U.S. restrictions continue to be maintained on Temperate Zone and tropical products exported by Latin America, including restrictions on imports of beef, under the Imported Meat Act of 1930;

import quotas maintained on cotton and cotton textiles under section 22 of the Agricultural Adjustment Act; quotas on lead and zinc set by a Presidential proclamation under the Trade Agreements Extension Act of 1951; and quotas restrictions on imports of crude oil, unfinished petroleum oils, and some finished petroleum products set under the national security provisions of the Trade Agreements Extension Act of 1951.

Latin America is watching us to see whether we practice what we preach. I know that problems caused by import competition are grave for many industries in this country, but how much greater will they be if Brazil or some other great segment of Latin America "goes down the drain" precisely because we have not been ready to adjust our trade policies to the realities facing us in the hemisphere. I have said before, and I repeat again, that the whole of the economic assistance we give to any Latin American country can be negated in an afternoon by even a modest fall in the price of the main commodity sold by that country. The inability of Latin American countries to sell their products in our market is equally damaging to them.

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

Mr. JAVITS. I yield.

Mr. HUMPHREY. I am pleased that the Senator has spoken so forthrightly on this matter, for the reason that I supported the coffee agreement. I do not believe the coffee agreement has satisfied all the needs of the coffee-producing countries, but it is better for those countries to earn their way receiving a fair price for a commodity than to depend on charity or even large and soft term loans.

The dropping of commodity prices in Latin American countries in the last 10 years has been disastrous to them. No amount of foreign aid will make that up. That is why I believe that while the consumer may be required to pay a little more for his coffee, the commodity price should be a fair price. We can always use the argument about the consumer. If we have labor working for 25 cents an hour, we can build a cheaper house or we can sell an automobile cheaper; but, after all, workers are also consumers; 25-cent-an-hour workers or $1-an-hour workers are not good consumers. So, a fair price for the producer's commodity is an important matter. That is one of the reasons why we need to trade and improve trade patterns, as the Senator has emphasized.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield me 5 minutes from the opposition time that I may conclude my remarks?

Mr. HUMPHREY. I am glad to yield 5 additional minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 additional minutes.

Mr. JAVITS. Mr. President, let me say in support of what the Senator from Minnesota [Mr. HUMPHREY] has said about the consumer, that volatile changes in the price of coffee result in unexpected shortages as well as in the oversupply of commodities, which not only damage the producing country but—in case of shortages—the consumer in the form of higher prices. In times of overproduction, commodity prices fall, but so does the producer's income and his ability to buy our goods. That is the price of instability in raw commodity prices.

We should consider, in light of the serious situation that now exists in many parts of Latin America, whether restrictive trade policies remain justifiable. During the forthcoming trade talks under GATT we should do all we can under authority given in the Trade Expansion Act to obtain continued entry for Latin America's products to the European Economic Community countries, and to assist with two basic problems facing Latin America with the EEC: preferential import treatment for tropical products from the associated African States which are in direct competition with Latin American exports; and temperate zone agricultural products—major exports from Argentina and Uruguay to Western Europe.

The cuts made in the House of Representatives in the aid appropriations for the Alliance for Progress has dealt a crippling blow to the image of the United States in Latin America. Should these cuts be sustained in the Senate, the only thing that could effectively balance this blow would be for the President to make an immediate review of our present trade policy toward Latin America and propose a unilateral reduction in our trade barriers in compensation.

Another aspect of the trade problem in Latin America is the movement toward economic integration. The Central American Common Market and the Latin American Free Trade Area are ample evidence that the idea of continentwide economic integration has become a reality—an effort that is essential both to create mass markets and to obtain greater cohesion needed for economic development, and to increase Latin America's negotiating power with industrial countries so that it may obtain better terms of trade for its exports. The creation of a hemispheric common market would be a logical next step to take for Latin America at this time.

There are no doubt a great many problems involved in the economic integration of an entire underdeveloped region. Nevertheless, the idea has attracted serious support from men of such stature as Paul Prebisch, former Executive Secretary, Economic Commission for Latin America, Felipe Herrera, President of the Inter-American Development Bank, William F. Clayton, former Undersecretary of State under Cordell Hull, and others.

The establishment at the recent São Paulo Conference of the Inter-American Committee on the Alliance for Progress—ICAP—as a focal point of the Alliance—and the creation of the Special Committee on Latin American Coordination—SCLAC—to coordinate the position of the Latin American countries at the U.N. Conference on Trade and Development in March 1964—are developments of great importance to further the economic unity of Latin America. The Subcommittee on Inter-American Relationships of the Joint Economic Committee, of which I am a member, during its hearings in January 1964, will take a close look at what further steps may be taken to step up Latin American economic integration so that Congress and the public may be in a better position to give this effort constructive support.

A fifth and essential step is the provision of greater incentives to U.S. capital to reenter Latin America. One of the key assumptions made at the Punta del Este Conference in 1961, as heretofore noted, was that as an integral part of the assistance to be provided by the United States there would be a flow of $300 million in new private capital to Latin America. While there was a net inflow of $173 million in new capital from the United States in 1961, it dropped to zero in 1962 and 1963.

Our direct investments in Latin America remain close to $8.5 billion, a very substantial sum—with Brazil and Venezuela accounting for about half of this investment. Plant and equipment expenditures there have also remained sizable—$750 million in 1960, $795 million in 1961 and $840 million in 1962—indicating a determination by U.S. firms to weather the present storm and their faith in the future of the area.

American firms with long experience in Latin America are playing a creative and socially constructive role; companies such as Creole Petroleum, Sears, Roebuck & Co., Willys Overland, Kaiser Industries, Deltec Corp., International Basic Economy Corp., the Chase Manhattan Bank, and the Whirlpool Corp. have contributed much to increasing total production exports and tax revenue in Latin America.

The Senator from Minnesota [Mr. HUMPHREY] and I have been working hard for the past year on a major effort designed to demonstrate to businessmen and governments in Latin America, the United States and Western Europe the capacity of private enterprise to be imaginative, to understand the present social ferment in Latin America and to play a constructive role in the fulfillment of Latin American aspirations. The Atlantic Community Development Group for Latin America—ADELA—has completed its organizational phase and will be formally launched at a high level conference in Paris on January 10, 1964, as a $40 million investment company, to provide concrete evidence that through well-conceived joint ventures, United States, European, and Japanese business in association with Latin American capital can make significant contributions to economic development while making a fair profit.

Nevertheless, to make the Alliance succeed, a large number of new firms and new capital must be attracted to Latin America. To accomplish this, effective incentives must be devised by our Government, including a tax credit for new investments—a proposal for a 30-percent tax credit may be recommended to the Congress early next session by the Treasury; a substantial tax incentive to exporters; a broadened investment program organized along the lines of the

highly successful Foreign Credit Insurance Association program—with private insurance firms administering the investment guarantee program backed by the AID; and a multinational investment treaty or code to protect private investment against expropriation without compensation or other types of discrimination.

An added factor will be the newly created high-level Advisory Committee on Private Enterprise in Foreign Aid, which was adopted as part of the Foreign Assistance Act of 1963. This Committee, in my opinion, will become a major source of new ideas on how private enterprise can cooperate with our Government in increasing the flow of new capital to the less developed countries we aid and making our foreign assistance program a more effective instrument of U.S. foreign policy.

And finally, it is essential that the Alliance for Progress should become a truly inter-American effort. I was therefore very gratified that an Inter-American Committee on the Alliance for Progress was created at the November meeting of the Inter-American Economic and Social Council at São Paulo. Unless the Alliance is transformed into a program in which all of the countries of the hemisphere take an equal part, it cannot succeed. It is of equal importance that the organization of our own Government for the implementation of our own Latin American policies and programs undergo a full review including existing lines of authority and responsibility. With political direction in the State Department, economic coordination under AID and with the operation of the varied program dispersed among more than half a dozen agencies, the result has been a decline in the effectiveness of the implementation of vital aspects of the Alliance.

The question that we must answer in the next few years is whether the United States is capable of understanding and dealing with the revolutionary situation in Latin America and of leading this upheaval into democratic channels, and giving the democratic approach ideological appeal. I believe we have the ideas, the power, and the resources to see through the storm to the clearer days ahead. The appointment of Ambassador Mann to be in charge of our Latin American policy is already a good augury of the intentions of this administration. Also, the recommendations I have made here will, I hope, have early consideration.

The following quotation from Szulc's "The Winds of Revolution" gives a good measure of the challenge and the prize confronting us:

> Relations with a Latin America must be judged in the historical perspective of a great revolution with which, in the real meaning of history, the United States and the West must come to terms.
>
> If this occurs, then communism may have to face the devastating truth that, after all, Marx and Lenin were not so infallible in predicting a Socialist future for Latin America and the rest of the underdeveloped world.

Mr. President, the appointment of Ambassador Mann to be in charge of our Latin American program is critically important. We must have a highly efficient and single centered administration of the Alliance for Progress.

I have the greatest of friendship for and confidence in Ambassador Mann, and I shall give him all the backing he needs. I make these recommendations to him for his immediate consideration. If the Alliance is not to fail, and if we are not to see great sections of Latin America, where we stand in imminent danger, slip into the grip of communism and confound our policy all over the world, these recommendations should be considered with the utmost seriousness and should be put into effect at the earliest opportunity.

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

Mr. JAVITS. I yield.

Mr. GRUENING. I congratulate the Senator from New York for a thorough and sound presentation concerning the Alliance for Progress. I agree with the Senator that this is a program of major importance. Distinct from other parts of the world where we indulge in foreign aid, and where our task should be shared by other old world nations, this is an area of primary responsibility in the United States.

I share fully the Senator's comment that we should be selective. I have believed that for years. I have tried to present that view to the AID administrators, who to date have never accepted it. They seem to feel they must give indiscriminately to everybody. The result has been disastrous, because governments which have not tried to put their houses in order and have not tried to make the reforms essential to progress have found because of our attitude there was no need to do so.

Their poor example then reflects itself to other countries in which efforts are being made to put houses in order and to cooperate. The governments of those countries then say, in effect, "There is no need for our doing this, because you are not enforcing it everywhere."

If half of the 19 countries of Latin America are ready, politically and economically, to receive our financial aid and use it wisely, those are the places where we should make our maximum effort, meanwhile working with other countries to try to get them ready.

The "scattershot" arrangement is largely responsible for whatever failures have occurred. The responsibility is just as much ours in Washington as it is anyone else's.

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

Mr. JAVITS. I am grateful for the remarks of my colleague, the Senator from Alaska.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. I must leave the Chamber shortly, but I wished to let the Senator from New York know that I believe his speech to be a major contribution at this particular time to the Alliance for Progress program. I am hopeful that Ambassador Mann, who has been selected by the President for a new responsibility and an important assignment as Special Assistant to the President and as the Assistant Secretary of State for Inter-American Affairs, will read the Senator's speech carefully. I say this because I believe the Senator from New York has made some very constructive suggestions which will stand Ambassador Mann well in his efforts and in his program of reorganization.

I wish to associate myself with the text and the substance of the Senator's speech. I believe it is one of the truly great speeches made on this whole subject matter. The Senator is to be commended.

Mr. JAVITS. Mr. President, I am grateful to my colleague for his high praise. He knows I love him dearly. His remarks mean a great deal to me, as do those from the Senator from Alaska [Mr. GRUENING] and the Senator from Oregon [Mr. MORSE].

I express my thanks to my colleagues for their forbearance and cooperation in giving me this time. Mr. President, I withdraw my amendment, and yield back my remaining time.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The amendment is withdrawn.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 11, between lines 18 and 19, it is proposed to insert a new section as follows:

> SEC. 119. Notwithstanding any other provision of this title, the total amount appropriated pursuant to this title (excluding reappropriations of prior appropriations) shall not exceed $3,000,000,000. The President is authorized and directed within thirty days after the enactment of this Act to determine and to certify to the Secretary of the Treasury and the Director of the Bureau of the Budget which of the appropriation items shall be reduced, and the amount that each shall be reduced, in order to effectuate the reduction made by this section. Each appropriation item specified by the President in his certification is hereby reduced by the amount of reduction specified by him with respect to such item in such certification; and the Secretary of the Treasury is authorized and directed to make the necessary entries on the books of the Treasury to reflect such reductions.

Mr. MORSE. Mr. President, on the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Is the language just read subject to a point of order? It is not that I intend to make a point of order, but I merely inquire.

The PRESIDING OFFICER. It is legislative in character, and would be subject to a point of order.

Mr. PASTORE. It would be subject to a point of order.

Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. PASTORE. Do I correctly understand that the purpose of the amendment is to cut the amount to $3 billion, plus the $209 million?

Mr. MORSE. Yes. That would be a total of $3.209 billion.

The amendment has another great advantage. I am satisfied that the President of the United States know that there is a need for reform in the foreign aid program. I am satisfied that the President knows that there are places where great savings can be made.

The amendment would grant great latitude to the President to bring about savings. There are really only 6 months left in the present fiscal year.

The amendment provides:

> The President is authorized and directed within 30 days after the enactment of this act to determine and to certify to the Secretary of the Treasury and the Director of the Bureau of the Budget which of the appropriation items shall be reduced, and the amount that each shall be reduced, in order to effectuate the reduction made by this section.

The President could get together with the Secretary of State, with the Secretary of Defense, and with the Director of AID to decide how best to distribute the money to bring about the savings and reforms which I believe ought to be brought about.

The Senator from Rhode Island is quite correct. The language would be subject to a point of order, since its content is not covered, really, by either authorization bill. The amendment could be objected to on that ground.

I offer the amendment in this way, rather than segment by segment, which I shall do, if necessary.

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

Mr. MORSE. I yield.

Mr. PASTORE. I repeat that I am unalterably opposed to the reduction to $3 billion. Should the Senate choose to do that—and I hope it will not—but I have no objection to the language as such; therefore, I shall not raise a point of order. However, I want it clearly understood that I am opposed to the amendment.

Mr. MORSE. Mr. President, there is not much that needs to be said in support of my amendment. It speaks for itself. The amount involved is $3,209 million, because although the amendment would limit the new money to $3 billion, $209 million of unexpended funds would be reappropriated under the proposed legislation.

I believe that is a sufficient amount. It would allow a reasonable bracket for compromise with the House.

I believe the amount proposed by the Senate committee is too large. It would lead to serious trouble in the conference, because I do not believe the House conferees would split the melon as between the $2.8 billion plus the unexpended funds and the Senate committee figure of $3.5 billion plus the unexpended funds.

I believe the Senate committee figure is unrealistic to take to conference. I believe I am offering a workable bracket for negotiations in conference, which would make it possible to dispose of this item quickly in the conference. I have reason to believe that if the Senate figure is left at its present size, the conference will not dispose of this matter quickly.

Second, this gives to the President an opportunity to keep faith with his own announcements to the American people that he seeks economy and efficiency in Government.

He has been asking the various departments, as far as our domestic budgets are concerned, to proceed to reevaluate them from the standpoint of economic savings. I am giving him the opportunity, as chief of our foreign policy, to do it in connection with the foreign aid bill.

This, I think, is a fair, reasonable compromise. It does not end with $3 billion. It ends, so far as new money is concerned, with $3 billion plus $209 million of unexpended funds, making a total of $3.209 billion.

Mr. PASTORE. Mr. President, the objective of the amendment is to reduce the amount reported by the committee, a figure of $3.3 billion, has been fortified by the various votes had—not only last night, but this morning and the early part of the afternoon. This proposal would more or less restore the House figure.

The Senate has already more or less firmly indicated its will on the matter, but the Senator from Oregon has a perfect right to propose the amendment. I hope the Senate will reject the amendment.

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

Mr. PASTORE. I yield.

Mr. MILLER. The Senator from Oregon knows I have supported some of his amendments, but it seems to me the one objectionable feature of the amendment is that the Senator is, in effect, proposing to delegate to the executive branch a function which belongs in the legislative branch of the Government. I am most reluctant to see Congress delegate any of its responsibilities to the executive branch. I think we have done too much of it.

While the intention of the amendment may be meritorious, this is one objectionable feature which I could not accept. So I regret that I cannot support the amendment.

Mr. PASTORE. Mr. President, I am ready to yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment offered by the Senator from Oregon. 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 Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], 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 Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from California would vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], 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.

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado 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 31, nays 55, as follows:

[No. 278 Leg.]

YEAS—31

Anderson	Gruening	Russell
Beall	Hruska	Stennis
Bennett	Johnston	Symington
Bible	Jordan, N.C.	Talmadge
Byrd, Va.	Long, La.	Thurmond
Cannon	Mechem	Williams, Del.
Cotton	Morse	Yarborough
Curtis	Mundt	Young, N. Dak.
Ellender	Proxmire	Young, Ohio
Ervin	Randolph	
Goldwater	Robertson	

NAYS—55

Aiken	Hayden	Metcalf
Bartlett	Hickenlooper	Miller
Bayh	Holland	Monroney
Boggs	Humphrey	Morton
Brewster	Inouye	Moss
Burdick	Jackson	Muskie
Byrd, W. Va.	Javits	Nelson
Case	Jordan, Idaho	Neuberger
Church	Keating	Pastore
Clark	Kennedy	Pell
Cooper	Kuchel	Prouty
Dirksen	Lausche	Ribicoff
Dodd	Mansfield	Saltonstall
Douglas	McCarthy	Smathers
Edmondson	McClellan	Smith
Fong	McGee	Sparkman
Fulbright	McGovern	Williams, N.J.
Hart	McIntyre	
Hartke	McNamara	

NOT VOTING—14

Allott	Gore	Scott
Carlson	Hill	Simpson
Dominick	Long, Mo.	Tower
Eastland	Magnuson	Walters
Engle	Pearson	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, if I may have the attention of Senators, I should like to say at this juncture that there is one more amendment to be offered by the Senator from Oregon [Mr. MORSE]. Then a point of order will be raised by the distinguished Senator from Delaware. Following that, the so-called wheat amendment, to be offered by the Senator from South Dakota [Mr. MUNDT] will be considered. I believe that will more or less wind up our discussion. If Senators will remain in the Chamber, we shall be able to dispose of the bill expeditiously.

Mr. MORSE. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 9, it is proposed to strike out the numeral and to insert in lieu thereof the figure "$50,000,000."

Mr. MORSE. Mr. President, I yield myself 5 minutes. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I shall not take my full 15 minutes on the amendment.

Mr. PASTORE. If the Senator will yield, I shall be glad to take his amendment to conference.

Mr. MORSE. I should like to read only two sentences in explanation of the bill, so that it will be in the RECORD.

Mr. PASTORE. As I understand, the House figure was $50 million. I will accept the amendment.

Mr. MORSE. Mr. President, this amendment reduces funds for administrative expenses of AID to the figure provided by the House, $50 million. However, the $50 million is only in new money; there is $2 million more in unexpended balances that is reappropriated elsewhere in the bill.

As a result, when the committee report says it is only providing what is authorized in the authorizing legislation, it is omitting mention of the additional $2 million that is reappropriated.

When the Senate passed the authorizing legislation, it allowed $52 million for this purpose, and that is what would be available if my amendment is adopted. Otherwise, $56 million will be available.

Mr. PASTORE. Mr. President, I consider this to be a reasonable amendment. I shall be very happy if the Senate agrees with me that it should be accepted.

Mr. MORSE. I thank the Senator from Rhode Island very much.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the yeas and nays on the amendment be rescinded.

Mr. MORSE. I join in that request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on page 19, line 11, it is proposed to strike out down to and including line 10 on page 20, as follows:

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous Items

For an additional amount for "Miscellaneous items", $925,000.

Reporting Hearings

For an additional amount for "Reporting hearings", $48,000.

Special and Select Committees

For an additional amount for "Special and select committees", $665,500.

Telegraph and Telephone

For an additional amount for "Telegraph and telephone", $515,000.

Stationery (Revolving Fund)

For an additional amount for "Stationery (revolving fund)", to remain available until expended: first session of the Eighty-eighth Congress, $261,600; second session of the Eighty-eighth Congress, $261,600.

Postage Stamps

For an additional amount for "Postage stamps", to remain available until expended: first session of the Eighty-eighth Congress, $45,710; second session of the Eighty-eighth Congress, $45,710.

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the amendment is to strike from the bill that portion of the suggested appropriation which has nothing whatever to do with the foreign aid program. The Senate is supposed to be acting today on a foreign aid program. Yet we find in the bill many items for increasing allowances for Members of both the House and the Senate.

This amendment deals only with the contingent expenses as approved for the House. The contingent expenses which have been approved by the Senate are subject to a point of order in that they are legislation, and the point of order will definitely be made following the action on this particular amendment. That would then put the bill in a position so that if this amendment should be agreed to, and the point of order sustained—and I have been advised that the language constitutes legislation on an appropriation bill—we would have deleted from the bill all references to increased allowances for Members of Congress. Those items if found to be necessary can be included in a supplemental appropriation bill.

I see no reason why, under the guise of enacting a foreign aid appropriation, we shoud increase allowances for various Members of Congress.

For example, unless the amendment is adopted we shall be approving $261,600 or an additional stationery allowance of $600 each, for Members of the House and the Senate for the first session of the 88th Congress. We are all hopeful that this session will end either tomorrow night or, at the latest, Saturday night. Why does the House need $261,600 additional stationery allowance for the remaining 2 days of this session of Congress?

By the same token, I shall make a point of order to strike a similar provision as it applies to the Senate.

The second session of the 88th Congress will begin next month. The bill would provide an additional $261,600, or $600 extra, for each Member next year. If it is needed next year why not wait until next year and then deal with it in a regular appropriation bill? But let us not try to get it now under the guise of an appropriation for foreign aid. Actually, this is nothing more than a Christmas bonus for Members of Congress.

The bill provides for an additional amount of $45,710 for postage stamps for Members of Congress during the remainder of the 1st session of the 88th Congress. Why is it necessary to provide $45,710 to buy postage stamps for the remaining 2 days of this session of Congress? We are almost at the end of the session. One cannot retroactively put a postage stamp on a letter. So what is proposed is to provide additional postage for letters that will be sent out in the next 2 days. There can be no possible justification for that item.

If these items are needed in the next session of Congress, let them be presented in a routine manner and be included in the normal appropriation bills.

My amendment would strike out all such items and also strike out the $925,000 of "miscellaneous items," as to which apparently neither House has as yet decided how it will be spent.

Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. I shall not delay the Senate longer. I hope this amendment will be adopted. Following the action on the amendment, I shall make a point of order with respect to the additional contingency expenses provided for the Senate. That would then restore the bill to a foreign aid appropriation bill, as it is designated in the title and as it should be.

I repeat—there can be no justification for including these additional allowances for Members of Congress in a foreign aid program.

How can a $261,600 additional stationery allowance, a $45,710 additional postage stamp allowance, and an allowance of $925,000 for "miscellaneous" items be used in the last 1 or 2 days of this session of Congress? These items, totaling $3,239,780 extra benefits for Congress should be stricken. I hope the amendment will be approved.

Mr. PASTORE. Mr. President, it is a pity that the proposer of this amendment, the distinguished Senator from Delaware, does not happen to be in charge of the bill. If he were, he would realize and appreciate the awkward position in which the Senator from Rhode Island finds himself because of the amendment.

The Senate Committee on Appropriations had nothing to do with these items. They were included in the bill by the House.

It is true that certain items are those ordinarily included in the legislative appropriation bill; but the House in its

wisdom saw fit to include them in this particular bill. If Senators wish to repudiate the House at this juncture, it is their responsibility; I will have nothing else to say, other than that I believe it would be very embarrassing, our job would become more tedious, and the chances are that if the amendment is sustained the fate of the bill would more likely accommodate those who are opposed to our measure.

Mr. CLARK. Mr. President, will the Senator from Rhode Island yield 5 minutes to me?

Mr. PASTORE. I yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. I hesitate to speak about this matter, but I shall not detain the Senate long. There is much more to this story than so far appears. Senators are in what seems to be the following absurd position: Telegraph allowances for every Senator are regulated by the Committee on Rules and Administration. I believe the telegraph allowances to be entirely adequate; at least, I returned $2,000 from my telegraph allowance last year.

The telephone allowances are under the jurisdiction of the Committee on Appropriations. In my judgment, telephone allowances are entirely inadequate. For example, last year, as a Senator from a large State, I paid out of my own pocket more than $2,000 for excess telephone calls. To be sure, I could deduct that amount as a business expense on my income tax; but that means, without revealing any confidences as to what bracket I am in, that a very substantial amount of that telephone payment still comes out of my pocket. Perhaps some will say, "He can afford it." That is all right. But perhaps others cannot.

It seems to me it is really an absurdity to have this administrative gobbledygook monstrosity, under which telephone expenses are regulated by the Committee on Appropriations and telegraph expenses by the Committee on Rules and Administration. I do not even know what committee has jurisdiction of the stationery allowances. Nevertheless, we cannot get the members of the staffs of those committees or the Senators themselves sufficiently interested in the plight of a Senator from a large State who must keep in constant touch with his constituents, especially if his State happens to be a doubtful State. Year after year, he pays this money out of his own pocket.

I pay public tribute to Senators from the smaller States who, year after year, as a result of my own staff importuning them, have been willing to give me support by making available some of their stationery allowance. I could not get along on my stationery allowance, but Senators from small States, who do not need all of theirs, make some of it available to me.

But last Sunday, mirabile dictu, the items to provide additional sums appeared in the bill, so perhaps this will clear up the situation and I will not have to pay any more money for my telephone calls or on my stationery account.

This is a situation that confronts every Member of this body who represents a large State. I do not know about the situation with respect to Senators who come from some of the other States.

I understand the position of the Senator from Delaware. I can well understand the embarrassing position in which the Senator from Rhode Island finds himself. But I hope this provision will not be eliminated from the bill.

Mr. PASTORE. Mr. President, I yield the Senator from Oklahoma 5 minutes.

Mr. MONRONEY. Mr. President, we would be embarking on a program that would wreak havoc on the already rather strained relations between the two bodies. They are held together by goodwill and by tradition extending over more than 175 years, in which the Members of each House have independently assumed the responsibility of being moral, ethical, and conscientious public servants.

When the other body appropriates funds for its own operation, knowing that its Members must run for office every 2 years, and each of them represents a rather small electorate, of some 500,000 people, it is they who must be held to blame or to be held blameless for the money they spend.

This would strike at other items in addition to the two items the distinguished Senator from Delaware has mentioned—the stationery fund and the postage stamp item. It affects the holding of hearings in the House of Representatives and $48,000 in that connection; also the additional amount of $65,500 for special and select committees—evidently for staff salaries; also the additional fund of $515,000 for telephone and telegraph, as well as the other items the Senator from Delaware has mentioned.

I do not see how we can expect to audit these accounts without expecting the House to take whatever discretionary attitude it might choose to take in regard to cutting down the funds for the Senate's Special and Select Committees and other items which the Senate has always felt justified in voting for itself.

In fact, when the legislative appropriation bill is dealt with, the House—recognizing the comity which traditionally exists between the two bodies—does not make the slightest change in the items for the Senate.

So, although we can embark on this proposal to eliminate these funds from the bill, if that were to be done, such action would rise to haunt us again and again.

Instead of having the Senate seek to hold the Members of the other body accountable for their expenditures for stationery and postage, the 435 Members of the other body can be held accountable by their constituents, at the forthcoming election. That is the preferable course, rather than for the Senate to attempt to decide what the other body shall spend. I am sure the Senate does not wish to do that.

Mr. ANDERSON. Mr. President, will the Senator from Rhode Island yield 1 minute to me?

Mr. PASTORE. I yield 1 minute to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. ANDERSON. Mr. President, we have already considered the "junk mail" item and the other items; and I believe it best for now to vote down the amendment of the Senator from Delaware, and thus permit the conferees to have an opportunity to prepare their report.

Mr. MILLER. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. PASTORE. I yield.

Mr. MILLER. Suppose the amendment is rejected, and suppose a point of order then is made—as the Senator from Delaware has indicated he will—with respect to the items on pages 17 and 18. In that event, will the House have its stationery and postage funds, but the Senate will not?

Mr. PASTORE. No, because of this reasoning and this has been my position. Our amendment is to the House amendment, and therefore, is not subject to a point of order.

So far as the postage item is concerned, I shall move to delete it from the bill, because we acted on it yesterday in connection with the legislative appropriation bill. So it is not necessary for it to be included in this bill, for then there would be a duplication.

I repeat that my position is that our amendment is to the House amendment, and therefore is very much in order and is germane.

Mr. MILLER. Did the Senator from Rhode Island say he is proposing to delete the postage stamp item on page 18?

Mr. PASTORE. That is correct.

Mr. MILLER. What about the item for the House, on page 20?

Mr. PASTORE. That item has never been voted on, for I do not think it was in the legislative appropriation bill conference report. I am told it was not in it.

The only reason why I shall move the deletion of the item for the Senate's postage account is that we have already voted for it, and there is no need to do so again.

Mr. MILLER. Then is it necessary to include the item on page 20?

Mr. PASTORE. Yes, because the House has not yet acted on that item. But, in regard to the Senate item, this would be the second bite at the cherry.

I repeat that the House item has not yet been decided on, but the Senate item for postage has been decided on, and there is no need to do so again.

Mr. WILLIAMS of Delaware. Mr. President, how much time remains available?

The PRESIDING OFFICER. The Senator from Delaware has 10 minutes remaining under his control.

Mr. WILLIAMS of Delaware. I shall not need all that time.

Let me remind the Senate that yesterday we took final action on the legislative appropriation bill. The appropriation items pertaining to the legislative branch had been passed on by the Appropriations Committees of the two bodies and by both the House and the Senate, and in our opinion yesterday that appropriation provided ample funds to enable the Members of Congress to operate their offices.

The $3,239,780 proposed here today would be an additional allowance, over and above the appropriation item on which the Senate voted yesterday. Why is the additional $261,600 stationery allowance needed for the remaining 2 days of the session? At the most, there remain only Friday and Saturday.

I propose to strike this item from the bill, following which a point of order would strike out all reference to such increases for the Senate.

I respect the need for comity between the two Houses. However, we must also respect the need for comity between the Congress and the taxpayers. I doubt very much that they would approve of such a Christmas bonus for Congress. This item has no proper place in the foreign aid appropriation bill. Should it remain in the bill, then let us not attempt to kid the American people into believing that we are dealing only with a foreign aid appropriation bill.

I am opposed to a Christmas bonus for the Members of Congress.

Mr. President, I am ready to yield back the remainder of the time if the Senator from Rhode Island will do likewise.

Mr. PASTORE. Mr. President, I am ready to yield back the remainder of the time under my control.

Mr. MILLER. Mr. President, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The time is under control.

Mr. PASTORE. Mr. President, I yield 1 minute to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. MILLER. Mr. President, my parliamentary inquiry is as follows: I believe we should have a ruling from the Chair in regard to the point raised by the Senator from Rhode Island—namely, that the Senate committee's language at the bottom of page 17 and on page 18 constitutes an amendment to the text voted by the House, and is in order.

Mr. PASTORE. Mr. President, I submit that statement by the Senator from Iowa is not timely.

The PRESIDING OFFICER. The Chair rules that a point of order has not been raised by the Senator from Iowa, and that the matter to which he has referred is not before the Senate, and that the Chair cannot rule upon it.

Mr. PASTORE. Mr. President, I yield back the remainder of the time under my control.

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Delaware.

On this question, 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 Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], 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 California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], 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.

If present and voting, the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 23, nays 62, as follows:

[No. 279 Leg.]

YEAS—23

Aiken	Ellender	Morse
Boggs	Goldwater	Morton
Byrd, Va.	Hickenlooper	Mundt
Case	Hruska	Prouty
Cooper	Jordan, Idaho	Smith
Cotton	Lausche	Thurmond
Curtis	Mechem	Williams, Del.
Dirksen	Miller	

NAYS—62

Anderson	Hayden	Muskie
Bartlett	Holland	Nelson
Bayh	Humphrey	Neuberger
Beall	Inouye	Pastore
Bennett	Jackson	Pell
Bible	Javits	Proxmire
Brewster	Johnston	Randolph
Burdick	Jordan, N.C.	Ribicoff
Byrd, W. Va.	Keating	Robertson
Cannon	Kennedy	Russell
Church	Kuchel	Saltonstall
Clark	Long, La.	Smathers
Dodd	Mansfield	Sparkman
Douglas	McCarthy	Stennis
Edmondson	McClellan	Symington
Ervin	McGee	Talmadge
Fong	McIntyre	Williams, N.J.
Fulbright	McNamara	Yarborough
Gruening	Metcalf	Young, N. Dak.
Hart	Monroney	Young, Ohio
Hartke	Moss	

NOT VOTING—15

Allott	Gore	Pearson
Carlson	Hill	Scott
Dominick	Long, Mo.	Simpson
Eastland	Magnuson	Tower
Engle	McGovern	Walters

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. PASTORE. Mr. President, may we have order. This is very important.

The PRESIDING OFFICER. The Senate will be in order. The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, rule XVI of Senate Rules, paragraph 2, provides:

> 2. The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation or any such restriction, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

In that connection, I make the point of order that the language appearing in the appropriation bill, on page 18, beginning with line 1 and extending through line 24—all three of the items—constitutes legislation on an apropriation bill.

Earlier the Senator from Rhode Island mentioned the fact that in his opinion—and I respect his opinion—this language is merely an amendment to the House language. I call particular attention to lines 4 through 7 on this page. Senators will find that this language does not amend any House language but under the terms of the bill, would amend Public Law 479 of the 79th Congress, as amended.

This language would be an amendment of the law, not an amendment of any language in the House bill. I find no language similar to that in the House bill.

I make the point of order that the language constitutes legislation, and therefore should be stricken from the bill.

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware make a point of order?

Mr. WILLIAMS of Delaware. I make the point of order.

Mr. PASTORE. Mr. President, I believe the point of order is not well taken. The bill came to the Senate with "Title IV, Legislative Branch." enumerating certain items under the legislative category. All we did was to amend the bill by adding other legislative matters to it, matters which are germane and which are pertinent.

I submit that the language is in perfect order.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. RUSSELL. I do not know about the allocation of time. I should like to

have 4 or 5 minutes on this question, if there is an allocation of time.

Mr. PASTORE. I yield whatever time the Senator desires from the time on the bill.

Mr. WILLIAMS of Delaware. I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, this happens to be a matter with respect to which I have had considerable experience.

Rule XVI is one of the most important rules of the Senate. It was enacted in an effort to protect the jurisdiction of the legislative committees of the Senate. However, it does not extend to denying the Senate the right to amend legislative language which comes to the Senate in a bill from the House of Representatives.

Legislative provisions in an appropriation bill which come to the Senate from the House of Representatives are not subject to a point of order. They are a part of the bill. If the House legislates in any degree in an appropriation bill, the Senate is entitled to amend the House language, so long as the amendment is germane.

I point out that this is very clearly stated on page 73 of Senate Procedure. It is stated in succinct language. It happens to be in language I used when the same question arose in 1943:

> If the House of Representatives opens the door by incorporating legislation in a general appropriation bill, the Senate has an inherent right to amend such proposed legislation, and to perfect that language, notwithstanding its rules.

The "rules" in this connection can only apply to rule XVI of the Senate.

Mr. President, this question had arisen before the Senate previously, but the first time I was involved in it was in 1943, during consideration of an agricultural appropriation bill. The House had inserted a very small legislative provision. It could have been nothing more than is contained in this bill. The words "to remain available until expended" have been held to be legislation. They have been so held by Cannon's Procedure of the House of Representatives.

The Senate Subcommittee on Agriculture Department Appropriations broadened the scope of the language. When the matter came to the Senate, the late Senator from Missouri, Mr. Clark, made a point of order against the language.

I took the position then, which was sustained by the Senate on an appeal, that when the House opened the door to legislation, the Senate had a right to perfect that legislation or to amend it so long as the amendment was germane.

A similar question arose in 1949, and it was debated at some length in the Senate.

Mr. President, so that I shall not have to repeat all of the argument at this time, I ask unanimous consent to have printed in the RECORD the argument I made in 1949, when my position was sustained by the Senate.

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

Mr. RUSSELL. Mr. President, I speak with some trepidation after the arguments made by the distinguished Senator from Texas, Mr. Connally, and the distinguished junior Senator from Florida. I would not speak on this occasion were it not for the precedents involved in this matter and my familiarity with them.

This is no new question in the Senate, Mr. President. It has been before this body on numerous other occasions. I happen to recall that in 1943 there was pending before the Senate the agricultural appropriation bill. As the chairman of the Subcommittee on Agricultural Appropriations, I was entrusted with the responsibility of handling that bill on the floor. I have just glanced briefly through the record of the debate which then took place and of the points of order which were made at that time, and the parallel between the two cases is very striking. The Senator from Ohio, Mr. Taft, has not changed his mind. He made exactly the same argument in 1943 that he has made upon the floor of the Senate today with respect to legislation on an appropriation bill.

The Senate on that occasion sustained the ruling of the Chair by a vote of 54 to 23, after discussion of the rules which covered 1 whole day's time.

Mr. President, with all due deference to those who have spoken on subdivision 4 of rule XVI, it very clearly covers two separate and distinct situations. The first sentence of the rule, which the Senator from Texas emphasized so eloquently, and with such force, provides that, "no amendment which proposes general legislation shall be received to any general appropriation bill." That language is tied in with the argument that was made by the Senator from Illinois about the two-thirds rule. If a general appropriation bill comes before this body with no legislation in it, any amendment offered that contains any legislation falls under the inhibitions of the first sentence of subdivision 4 of rule XVI. It is subject to a point of order. The Chair would sustain it.

The only way the Senate can possibly consider it is on a motion to suspend the rule, which requires a two-thirds vote, that is, if legislative matters are offered de novo in the Senate of the United States. But if legislation be found in the bill which comes to the Senate from the House of Representatives, the first line of the rule, relating to general legislation and making it subject to a ruling of the Chair which would strike it down, and therefore require the operation of the two-thirds rule, does not apply. If there is legislation in the bill as it comes from the House, then the sole question that confronts the Senate of the United States when an effort is made to amend the House provision is, first: "Has the House legislated in this bill?" Second: "Is the amendment which is offered in the Senate germane to the House legislative provision?"

Mr. President, no one would contend that the House has not legislated in this bill, not merely in small degree; but the House of Representatives sent this bill to the Senate shot through and through with legislative provisions. As a matter of fact, the greater part of the bill is purely legislative. It comes to us in that condition.

Now what are the Senate's rights in the matter? Can we not even offer any legislative amendment to the bill?

* * * * *

Mr. RUSSELL. Of course, Mr. President, the question of germaneness is something which every Senator must pass upon for himself, subject to the dictates of his own wisdom and his own conscience.

In my judgment, this amendment is germane because there are in the bill as passed by the House two legislative provisions which directly affect and control the expenditure of this part of the appropriation. The Senate provision likewise would influence and control the expenditure of this part.

If I may continue for a few moments, let me say there are some Members of the Senate who still recall the services of the former distinguished Senator La Follette, of Wisconsin. In my judgment, a finer parliamentarian than the distinguished Senator La Follette never served in this body.

When this identical issue was previously before the Senate, as appears on page 5546 of the CONGRESSIONAL RECORD of June 9, 1943, Senator La Follette discussed this matter at some length. After urging the Senators to dissociate themselves from the mere merits of the amendment involved, and to make their decision on the appeal from the decision of the Chair on the parliamentary situation which was presented to the Senate, he said:

"The issue at stake is the question of whether or not the Senate shall maintain its unbroken precedents holding that it has the right to explore any field of general legislation which the House of Representatives may have entered. That, Mr. President, is a vital question; it is a question of great, extreme importance as affecting the power of the Senate."

Senator La Follette argued the matter at some length, saying that where the House of Representatives had legislated the Senate had the power to invade that field. He did not say the Senate had to work the exact row that was hoed by the House of Representatives, but he said the Senate had the power to invade the entire field.

Mr. President, the House of Representatives has dealt with two matters which vitally affect the expenditure of these funds; and I insist that under the rules the Senate has a right to deal with the expenditure of the funds, and that the decision of the Senate in declaring the amendment to be germane should be adhered to.

Of course, Mr. President, the question of the decision as to the germaneness of this amendment to legislation already in the bill places the distinguished President of the Senate in a position where the only ruling he could possibly make, as he has properly done, was to the effect that the question of whether it is legislation has now nothing to do with it.

The question was never raised, or was never seriously argued, that the House did not legislate in the bill. That is generally conceded. That led to one issue in regard to the amendment, as to whether it was germane. I may say to the distinguished Vice President, it so happens that in 1943 almost the same issue arose as to whether the proponents of an amendment could insist that it was germane to a provision of the House bill, and the parliamentary rulings and the discussion of the subject cover some 40 or 50 pages of the CONGRESSIONAL RECORD.

We should, Mr. President, as was said by the Senator from Wisconsin on that occasion, forget our personal prejudices and vote in conformity with the precedents of the Senate, and vote to sustain the right of the Senate as a coequal body in our scheme of government to deal with these matters to the same degree the House has dealt with them.

Mr. RUSSELL. The question arose again in 1951. The Senate made the same decision. Any other decision would put the Senate in an absolutely untenable position.

It does not require any knowledge of parliamentary law or of any other kind of law to know that if the Senate is a coequal body, if the House includes provisions in a bill in a manner which affects the people of this country or either of these bodies, the Senate cannot be denied an equal right. Yet we restrict ourselves

to a very narrow limitation. Under Rule XVI Senators cannot offer legislation on an appropriation bill if there is no legislation in the bill.

If this bill had not come to us with legislation included in it by the House, these amendments would not be in order, but since the House did include such provisions in the bill, the Senate amendments are in order.

How ridiculous can we make ourselves?

If the Senator from Delaware were correct and had directed his point of order against all of the provisions of the bill which are directly involved in the parliamentary question before the Senate—although he was human enough not to do so—this would be the situation—the House had included in the bill legislation providing for payments to three widows of Representatives in Congress who have departed this earth while this Congress was in session. Yet the Senator from Delaware would hold that the Senate is denied the right to provide for the widow of the late lamented Senator Kefauver of Tennessee in this same bill.

In effect, the Senate would be holding that, parliamentarily, the Senate does not have such a right, if it sustains the point of order made by the Senator from Delaware.

Mr. President, I only wish to say that this question has been before the Senate time and again. The point of order would be good if there were no legislation in the bill. When the bill comes to the Senate with legislation the Senate, as a coequal body, has a right to treat the same question of legislation.

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

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Georgia have expired.

Mr. PASTORE. Mr. President, I yield an additional 2 minutes to the Senator from Georgia.

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

Mr. SALTONSTALL. I point out, to confirm what the Senator from Georgia has said, that the House put in contingent expenses of the House. The committee added contingent expenses of the Senate. The Senator from Delaware called attention to the fact that Public Law 479, as amended, was involved.

The question is one of germaneness. I invite attention to the fact that the contingent expenses of the House are in the bill. What the committee added are the contingent expenses of the Senate, and certainly those are germane.

Mr. RUSSELL. Of course they are germane. If the House is to provide itself additional stationery funds it cannot be said it is not germane for the Senate to provide stationery funds for the Senate.

It may be that Senators would like to vote against the amendment. Senators have that right.

Certainly, from a parliamentary standpoint, when the House of Representatives sends legislation to the Senate, our rules do not deny the Senate the right, so long as the amendment is germane, to deal with legislation in that field.

The PRESIDING OFFICER. Does the Senator from Georgia raise the question of germaneness?

Mr. RUSSELL. Mr. President, I am glad to do that. I submit that this language is germane to the legislative provision of the House, and I believe it could not be construed any other way.

The PRESIDING OFFICER. The question having been raised, the Chair reads from page 72 of Senate Procedure:

> Under rule XVI, the germaneness of amendments is required in the case of general appropriation bills, and all questions of germaneness or relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate.

The question then arises on whether or not the amendment is germane, and I submit the question to the Senate for decision.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays.

Mr. PASTORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on whether or not the amendment is germane. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Senators are about to vote on the question of germaneness. A "yea" vote means that a Senator thinks the amendment is germane. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], 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], 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 Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], 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 Tennessee [Mr. WALTERS], and the Senator from California [Mr. ENGLE] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], 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.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 78, nays 5, as follows:

[No. 280 Leg.]

YEAS—78

Anderson	Hartke	Morse
Bartlett	Hayden	Moss
Bayh	Hickenlooper	Mundt
Beall	Holland	Muskie
Bennett	Hruska	Nelson
Bible	Humphrey	Neuberger
Boggs	Inouye	Pastore
Brewster	Jackson	Pell
Burdick	Javits	Prouty
Byrd, Va.	Johnston	Proxmire
Byrd, W. Va.	Jordan, Idaho	Randolph
Cannon	Keating	Ribicoff
Case	Kennedy	Robertson
Church	Kuchel	Russell
Clark	Lausche	Saltonstall
Cotton	Long, La.	Smathers
Dirksen	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McClellan	Stennis
Edmondson	McGee	Symington
Ervin	McGovern	Talmadge
Fong	McIntyre	Thurmond
Fulbright	McNamara	Williams, N.J.
Goldwater	Metcalf	Yarborough
Gruening	Miller	Young, N. Dak.
Hart	Monroney	Young, Ohio

NAYS—5

Aiken	Curtis	Williams, Del.
Cooper	Mechem	

NOT VOTING—17

Allott	Gore	Pearson
Carlson	Hill	Scott
Dominick	Jordan, N.C.	Simpson
Eastland	Long, Mo.	Tower
Ellender	Magnuson	Walters
Engle	Morton	

So Mr. RUSSELL's point that the amendment was germane was sustained.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the point of germaneness was sustained.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, for the reasons I have already stated to the Senate, that the postage item in the Senate part of the legislative title of the pending bill is now redundant, because we acted on it yesterday, I offer an amendment to delete from the bill the language beginning on page 18, line 12, down to and including line 18.

The amendment is to strike out the following language:

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.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, will the Senator yield me 1 minute?

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

Mr. ROBERTSON. I am glad the Senator offered his amendment, because otherwise I would be in a very embarrassing position. I did not approve of increasing our own allowances. The first vote was on the issue: Shall the House have the exclusive right to fix its allowances for office expenses? I voted that it did.

The next issue was on the question of germaneness. As clearly pointed out by the Senator from Georgia [Mr. RUSSELL], the House had legislated on its office expenses, and we could do the same, and expand it. The House had provided benefits for three widows. Certainly that was germane. If that action was germane, the Senate had the right to do the same thing for widows in the Senate. That also would be germane. Therefore, I voted that it was germane.

However, Mr. President, I did not want to go on record as voting to increase my own allowances.

Mr. WILLIAMS of Delaware. Mr. President, the past two votes have been partly influenced by the parliamentary situation. I understand the reasoning of Senators on the question of germaneness. However, in order that there may be a clear-cut vote on the issue of whether we wish to add $3,239,000 in benefits to Members of the House of Representatives and Members of the Senate, I offer another amendment and ask for a vote on them.

I will yield back the remainder of my time after stating that the amendment would merely strike from the bill all additional allowances for offices of Members of the Senate and additional allowances for offices of Members of the House.

The amendment puts all of us in the same category. This will be a straight vote on whether we want to appropriate under a foreign aid appropriation an additional $3,239,000 for our own allowances and for allowances in the House. This has nothing to do with the allowances for widows of either Members of the House or the Senate; nor did any of the preceding votes have anything to do with their payments.

This amendment should be approved, first, on its own merits. There can be no justification for granting Members of Congress these additional allowances.

Second, this is a foreign aid appropriation act. By what line of reasonableness can Members of Congress qualify for foreign aid—even though some do spend considerable time out of the country.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. Beginning on page 17, line 23, it is proposed to strike out all the language down to and including line 24 on page 18; also, it is proposed to strike out all the language beginning on page 19, line 11, down to and including line 15 on page 20; as follows:

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous items

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

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, $60,600: *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.

CONTINGENT EXPENSES OF THE HOUSE

Miscellaneous items

For an additional amount for "Miscellaneous items", $925,000.

Reporting hearings

For an additional amount for "Reporting hearings", $48,000.

Special and select committees

For an additional amount for "Special and select committees", $665,500.

Telegraph and telephone

For an additional amount for "Telegraph and telephone", $515,000.

Stationery (revolving fund)

For an additional amount for "Stationery (revolving fund)", to remain available until expended: first session of the Eighty-eighth Congress, $261,600; second session of the Eighty-eighth Congress, $261,600.

Postage stamps

For an additional amount for "Postage stamps", to remain available until expended: first session of the Eighty-eighth Congress, $45,710; second session of the Eighty-eighth Congress, $45,710.

JOINT ITEMS

Education of pages

For an additional amount for "Education of pages", $2,655, which amount shall be advanced and credited to the applicable appropriation of the District of Columbia.

The PRESIDING OFFICER. Does the Senator wish to have his amendments considered en bloc?

Mr. WILLIAMS of Delaware. Yes.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. PASTORE. Mr. President, I ask for the yeas and nays. I urge the Senate to defeat the amendments. There is nothing further to be said.

The yeas and nays were ordered.

Mr. PASTORE. I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from Delaware [Mr. WILLIAMS]. 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 Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], 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 Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], 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 "nay."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], 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.

If present and voting, the Senator from Colorado [Mr. ALLOTT], and the Senator from Kansas [Mr. PEARSON] would each vote "yea."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado 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 25, nays 58, as follows:

[No. 281 Leg.]

YEAS—25

Boggs	Dirksen	Jordan, Idaho
Byrd, Va.	Douglas	Keating
Case	Ellender	Long, La.
Cooper	Fulbright	McClellan
Cotton	Goldwater	Mechem
Curtis	Hruska	Miller

Mundt	Robertson	Thurmond
Neuberger	Smith	Williams, Del.
Proxmire		

NAYS—58

Aiken	Hickenlooper	Muskie
Anderson	Holland	Nelson
Bartlett	Humphrey	Pastore
Bayh	Inouye	Pell
Beall	Jackson	Prouty
Bennett	Javits	Randolph
Bible	Johnston	Ribicoff
Brewster	Jordan, N.C.	Russell
Burdick	Kennedy	Saltonstall
Byrd, W. Va.	Kuchel	Smathers
Cannon	Mansfield	Sparkman
Church	McCarthy	Stennis
Clark	McGee	Symington
Dodd	McGovern	Talmadge
Edmondson	McIntyre	Williams, N.J.
Ervin	McNamara	Yarborough
Fong	Metcalf	Young, N. Dak.
Gruening	Monroney	Young, Ohio
Hart	Morse	
Hartke	Moss	

NOT VOTING—17

Allott	Hayden	Pearson
Carlson	Hill	Scott
Eastland	Lausche	Simpson
Dominick	Long, Mo.	Tower
Engle	Magnuson	Walters
Gore	Morton	

So the amendments of Mr. WILLIAMS of Delaware were rejected.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMINGTON. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, it is proposed to strike out lines 10 through 18, 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.

THE BALANCE-OF-PAYMENTS PROBLEM

Mr. SYMINGTON. Mr. President, in the previous four statements I have presented to the Senate on the balance-of-payments deficits of the United States, the following factual conclusions emerge:

First. The principal causes of our balance-of-payments deficits, current and cumulative, have been: (a) U.S. Government expenditures abroad, for military and economic aid; (b) a fundamental structural change in our international commodity trade pattern.

The United States has become more and more dependent on imports of basic raw materials. The U.S. proportion of world trade has been declining. It has been difficult, therefore, to earn sufficient surplus of exports over imports, to pay for our Government expenditures abroad; (c) there is a growing deficit on tourist account.

Second. An analysis of proposed remedies showed: (a) Increasing interest rates, so as to stem the flow of capital and hold down, or reduce, the price of commodities in the United States in order to become competitive in world markets, is probably unacceptable, on both economic and political grounds; therefore, not likely to succeed; (b) any prospects of solving the balance-of-payments deficits by means of a successful export promotion drive are not promising, because the Iron Curtain countries, and the underdeveloped countries, do not show opportunities for net export sales for cash. In addition, the balance-of-payments surplus countries of Western Europe, nations which can afford to buy from us, nevertheless are not inclined to liberalize their policies through specific consideration of our increasingly serious balance-of-payments problem; (c) devaluation of the dollar, or flexible exchange rates, are neither useful nor practical.

Because of growing recognition by international bankers and economists that the balance-of-payments deficits of the United States may not be easily resolved without unhappy consequence to the economies of other countries, we have been forced to the only other alternative; namely, that of continual borrowing from other countries and international institutions, in order, in turn, to continue with our program of excessive foreign expenditures. This is now being done through the sale of our so-called Roosa bonds to other governments and foreign central banks.

These latter bonds are U.S. Treasury obligations, denominated in the currency of the lending country; namely, Swiss francs, German marks, Italian lira.

Already some $650 million of said bonds have been used to borrow from foreign countries; also there has been some $600 million of additional borrowings from the International Monetary Fund.

And the pileup of current liabilities. liabilities of the United States to pay in gold are, of course, still additional borrowings, in this case callable on demand.

It is a fact that this easy way out—continuing our deficit expenditures abroad on borrowed money—is the basis of recommendations made by the Brookings Institution, along with certain other economists and bankers, to create an international credit issuing bank in the name of increasing liquidity; a bank from which we and others could borrow, and into which surplus countries could deposit their earnings.

This alternative can only lead the United States deeper and deeper into debt, either to other countries, or to international institutions; and that in turn can only lead to the loss of our freedom of action.

Admittedly, therefore, there has been created a dilemma for U.S. policymakers, because all available choices would appear to have unpleasant consequences for someone.

Perhaps it is fair to say also that we have hesitated to make the necessary hard decisions.

In any case the problems incident to putting our financial house in order—bringing in line expenditures abroad with receipts from abroad—are becoming steadily more complicated.

Now what would be the least harmful way of achieving this latter result?

First and foremost, of course, would be the willingness of our European allies to buy more goods from us. This they could do in coal, in various agricultural products such as poultry and grain; and also in such hardline end items as automobiles, aeroplanes, electrical appliances, and so forth.

Such action would require these nations to retreat from their increasingly nationalistic and protectionist policies of autarchy; this could do through lower tariffs, quota eliminations, and the wiping out of internal discriminatory taxes and regulations.

Our friends and allies could also contribute to the solution of our balance-of-payments problem by sharing more equitably the cost of defending the free world, sharing with us the tremendous expenditures we continue to make, in both foreign aid and offshore military outlay.

Unfortunately, however, there has been little inclination to give adequate response to our repeated urgings in this direction; and although these now prosperous nations count on our troops remaining in Europe, they are not willing, either to pay their fair share of the costs incident to such troops, or to make the equivalent money and manpower contributions they nevertheless consider necessary for the defense of their own homelands.

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

The PRESIDING OFFICER (Mr. INOUYE in the chair). Does the Senator from Missouri yield to the Senator from Oregon?

Mr. SYMINGTON. I am glad to yield.

Mr. MORSE. The Senator from Missouri knows that once before I spoke very highly of the Senator's series of speeches on the balance-of-payments problem.

I have read the advance copy of the speech he is making at this time, and I congratulate him on it.

I believe his five speeches should be printed in a booklet, because, in my judgment, they are very meritorious and should receive wide dissemination.

The point the Senator from Missouri is making is unanswerable. Instead of six divisions being kept in Germany, five of them should be brought home. Their presence abroad has a direct relationship to the balance-of-payments situation. I cannot understand why we should continue to pour our money into our infrastructure program in Europe and still expect to improve our balance-of-payments situation.

Certainly we shall not receive cooperation from these countries so long as our country continues to pour out this money.

Mr. SYMINGTON. Mr. President, I deeply appreciate the comments of the able Senator from Oregon. No one ap-

preciates the grave and growing aspects of this problem more than he.

These nations want the United States to continue with its aid program, including loans made with an interest rate of three-fourths of 1 percent. But we find them making business loans to underdeveloped countries at rates of 5 percent or 6 percent.

Let us bear in mind also that no nation except the United States assumes any real responsibility for defense against the country which would appear to constitute the greatest of all threats to freedom—Communist China.

In addition, although most of these countries have passed over to the United States most of the financial responsibilities necessary to defend their former colonial system, they are continuing their favorable commercial relationships with those areas, at the expense of the United States.

Unless our friends and allies are willing to recognize the points presented above, therefore, we should consider the following alternatives.

Let me say at this point that I am not one of those inclined to criticize the heads of the governments of other countries for protecting the best interests of their nations. It is the function of sovereignty to be concerned with the safety, security, and welfare of its own people.

On the other hand, and especially in that the economy of the United States is the single most important free world requisite for adequate deterrence against further Communist aggression, no one should criticize us if we, too, follow a course which protects our own economy.

Only by such action can we be in a position to bargain effectively and to reach an understanding with our allies, on the basic question of how to best maintain the strength necessary for the security and prosperity of the free world. We must control and limit further erosion of U.S. economic power through the accumulation of external deficits and debts; and unless we can have support from our friends in our effort to obtain that control, it will be necessary to mobilize our total bargaining resources—in which case I would make the following specific recommendations.

These recommendations may appear strong; but we have already exhausted much time in fruitless persuasion, as our gold holdings "continue to dwindle":

First. The U.S. Government should invoke article XII of the GATT Agreements entitled "Restrictions to Safeguard the Balance of Payments," which says:

> Any contracting party, in order to safeguard its external financial position and its balance of payments, may restrict the quantity or value of merchandise permitted to be imported, subject to the provisions of the following paragraphs of this article.
>
> (a) Import restrictions instituted, maintained, or intensified by a contracting party under this article shall not exceed those necessary: (i) to forestall the imminent threat of, or to stop, a serious decline in its monetary reserves; or (ii) in the case of a contracting party with very low monetary reserves, to achieve a reasonable rate of increase in its reserves.

As this problem of continuing unfavorable balance of payments becomes ever more serious, unless our negotiators can be more persuasive, should we not follow the many actions of our friends and allies and invoke this article XII of the GATT Agreements?

Such action would give notice that unless more constructive means could be found to solve the deficit problem of this country, the United States in turn would be forced to undertake its own import restrictions.

In this connection I have asked the State Department to give me a list of all the occasions upon which these countries have utilized article 12 of the GATT Agreement. However, for some reason, so far they have been unwilling, or unable, to do so. But I do know the article has been utilized many times in recent years.

The advantage of invoking this article, as against any other unilateral action, is that other nations would not have the right to retaliate, particularly in view of the historical fact that in the past many countries have used this article, against U.S. imports, on balance-of-payments grounds; and we have been agreeable to such action.

Second. The United States should immediately invoke the GATT rights we have retained in the field of agriculture, in annex B and annex C of the agreements dated March 7, 1962, under the Dillon round of negotiations.

In January 1962, the Common Market countries agreed to establish variable levies at port of entry on a number of agricultural products. This action equalized the international price, and the internal support price of imported agricultural products; and, with the added $1 a ton surcharge, gave preference to internal Common Market sources.

Recently the Common Market Commission also recommended to the Counsel of Ministers a scheme of internal support prices which, in effect, increased considerably the prices on all grain products, thereby encouraging the internal production of grains; with the variable levy increased accordingly; and although we understand this has been deferred, it shows the developing line of thought in Europe.

As a result of the above programs, the United States now stands to lose hundreds of millions of dollars of agriculture sales it has been making in Europe; and this of course can only further aggravate our balance-of-payments deficits.

The United States encouraged the development of the Common Market to the point where, under the previously mentioned round of negotiations, this Nation agreed to withhold agricultural products from such negotiations; and actually deferred any decisions until the adoption of the common agricultural policy of the Common Market. In other words, in our effort to be fair and constructive, we stood aside while the Common Market conceived and carried out its restrictive policies.

But there is no use crying over spilled milk; and fortunately annex B to the agreements of March 7, 1962, states that the "parties signatory to this agreement in no way limit their rights under GATT or on any other basis."

Specifically on wheat, annex C states that "negotiations shall commence as soon as the European Economic Council of Ministers had decided to introduce the common policy for wheat, and not later than June 30, 1963." Then it continues:

> The Community undertakes to enter into negotiation on the subject of the consequences on imports from third countries of the common agricultural policy to be applied. It does not exclude negotiation on the maximum level of the levy or levies. This negotiation shall take into account the importance of international trade in wheat, and shall be such as to provide for the evolution of this trade with the Community under fair and reasonable conditions.

Mr. President, I do not believe the combination of variable levies along with the recommended support prices, is either fair or reasonable; and in view of the predictable results of the combination—the Mansholt price support program and the variable levies—should we not assert our rights under these specific agreements, entered into March 7, 1962, and under the GATT Agreements, and exert every possible influence to prevent the execution of this Common Market agricultural policy, a policy that can only do great harm to U.S. agriculture and U.S. exports?

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am very glad to yield to the able Senator from North Dakota.

Mr. YOUNG of North Dakota. I commend the Senator from Missouri for his excellent speech.

The United States is getting the short end of the trade with the Common Market countries, because of some of their trade agreements. This is particularly true in regard to poultry. Wheat is another example. We are being closed out of their markets; and when we do sell wheat to the West German Government for example, it then sells it to the German people, and makes a substantial profit through selling it on the basis of their higher support price.

Mr. SYMINGTON. I thank the Senator from North Dakota, who is a true expert in the field of agriculture, and a devoted friend of the American farmers.

Mr. President, should we not be prepared to postpone negotiations under the Trade Expansion Act, until a satisfactory agreement is reached on the Common Market agricultural price supports and variable levies?

How can a temporary market access agreement, which merely holds our export opportunities at a past historical level for a short period, be considered adequate?

If the theory of Atlantic Community interdependence is going to be applied to military defense and industrial production, why should it not also apply to agriculture?

I believe the long-range objectives of the Common Market should be lower support prices and lower levies on imports.

This would give American agriculture exports a chance to continue to supply the growing population of Western Europe with lower cost food products.

That course should be to the advantage of Western Europe. It would help raise its standard of living, and increase the gross national product by diminishing the less productive employment of labor.

Mr. MORSE. Mr. President, will the Senator yield to me for 20 seconds?

Mr. SYMINGTON. I am glad to yield.

Mr. MORSE. It is the duty of the State Department to exercise its rights under GATT and to retaliate. However, it has been more than a year since Secretary Rusk and Mr. Herter have had clear notification. The Senator from Virginia [Mr. BYRD] knows whereof I speak in regard to what is happening to fruit exports to Europe. France and other countries have discriminated against American fruits. For more than a year we have requested that our rights under GATT be applied, and we continue to get the "runaround" from both Mr. Rusk and Mr. Herter. It is about time that the American people started giving them the "runaround."

Mr. SYMINGTON. I thank my able friend. All I can say, in reply to the Senator from Oregon, is that the more one gets into this question, the more apprehensive one becomes with respect to the economic position of the United States and its relationship to the free world.

Until such a program is agreed on, I believe, we should be prepared to delay negotiations under the Trade Expansion Act.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 10 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator from Missouri is recognized for 10 additional minutes.

Mr. SYMINGTON. Again, how can these negotiations be of any real benefit to the United States unless the principle of interdependence applied to defense is also applied to agriculture, to industry?

My third point is that the United States should undertake, immediately, to amend the Trade Expansion Act of 1962 so as to bring it more in line with present reality.

This act was passed with certain assumptions. It was assumed, for example, that England would be a part of the Common Market by the time negotiations started under the act.

Section 211 of the act authorized negotiations with the Common Market to lower tariffs down to zero on commodities in which the Common Market and the United States accounted for 80 percent of world trade. Without British participation, however, this provision is almost null and void; and actually ties our hands in arriving at favorable agreements with countries outside the Common Market.

I recommend, therefore, that section 211 of the Trade Expansion Act be amended to include the authority to negotiate separately with Great Britain, the Outer Seven—EFTA—countries, and the British Commonwealth of Nations. In this way we would acquire real and practical bargaining leverage with the Common Market countries.

This leverage, however, cannot be obtained if the principle of most-favored-nation treatment is retained in the Trade Expansion Act, because any concessions made to any country would automatically be extended to the Common Market, thereby automatically giving them a free ride.

The principle effectively ties our hands and prevents us from improving our bargaining position with the continental European countries.

Elimination of the most-favored-nation clause should not be considered a retrogressive move. This Nation should always be ready to negotiate, with any county, or groups of countries, the premise being that any agreement should be on the concept of a two-way street.

These proposed amendments to the Trade Expansion Act would put the United States in a position to develop a trade fair both to its friends and allies; and also to itself; a bloc which would extend from the Scandinavian countries to Japan, and from Capetown to Melbourne; a bloc which would immeasurably improve our seriously weakened bargaining position in Europe.

My fourth point is that the United States should present why we can no longer afford to keep our present tremendous military force in Europe, a position deeply involved with the current problem of a continuing and growing unfavorable balance of payments. Only recently, former President Eisenhower stated that six divisions in Europe was not sound; and I believe he was right. I made the same observation on October 4, in an article written for the Kansas City Star.

European governments withhold manpower from NATO defense planning on the ground they cannot afford to carry out their agreements in entirety. Surely then they should be sympathetic to our own increasingly serious problem—the continuing loss of our gold.

It is clear that any ultimate defense of Europe now depends on nuclear firepower. Why then should we continue in Europe the same large ground force defense structure established many years ago; and which is being continued at a cost of billions of dollars to the United States?

If these nations disagree with this reasoning, as their gold reserves build up and their prosperity becomes unprecedented, should they not pay the bill?

Should we not also discuss with these, our friends and allies, the long-range interest of the Atlantic Community in the Far East? Banking freedom in that part of the world is also costing the United States billions of dollars a year.

Should we not find out if these prosperous European countries believe it important to try to continue to contain the imperialistic ambitions of Red China?

Is it fair for these friends and allies to pursue their commercial interests to the point where they are selling billions of dollars of products to the Communist Chinese for gold, while we not only refuse to allow our banks and industries the right to deal with the Chinese Communists, but actually continue to send out our own youth to die in effort to contain the allies of Red China?

Finally, Mr. President, in next year's foreign aid bill, the United States should give serious consideration to converting the foreign aid program to a lend-lease program—materials, instead of money—based upon the availability of goods that we are in a position to produce and finance.

At present, whereas our balance-of-payments problem grows more serious, we nevertheless continue to add to the problem by continuing to give foreign aid to other countries, which countries use that aid to make up their own balance-of-payments deficits.

The allocation of aid responsibility among all developed countries could be arranged, based on ability to produce and willingness to finance, by the Development Assistance Committee of the Organization for Economic Cooperation and Development.

Mr. President, this is the last of five addresses I have made on the floor with respect to this problem of balance of payments.

If it becomes clear that, unless there is change, the United States will apply these recommended policies, other countries will become more impressed with the importance of a more just and logical division of the costs of freedom.

Recently, in Frankfurt, the Secretary of State forthrightly urged an equivalent sharing of defense expenses. Based on the record, however, I do not believe we are going to bring our allies to a realization of the importance of this sharing, unless they become convinced we are ready to undertake a firm program.

Surely our friends and allies realize that they are free, and independent, and able to operate profitably their economies without Communist threats, only because of the nuclear shield, and the military guarantees that have been given them by the United States, ever since the end of World War II.

These countries should also realize that the ability of the United States to continue to furnish those guarantees depends on its prosperity and stability. They know that our physical strength, which over the years and in the interest of freedom we have willingly shared with them, can only come from our economic strength.

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

Mr. SYMINGTON. I am glad to yield.

Mr. PROXMIRE. I, too, have followed the excellent addresses of the Senator from Missouri on the subject of our balance-of-payments problem. They have been brilliant. We have held a series of hearings before the Joint Economic Committee on the same subject. The Senator has shown a deep understanding of this complex problem and has contributed to my own understanding of and enlightenment in this field.

The Senator is correct when he points out that there is no painless solution to

the problem. I believe the Senator would agree that while the recommendations he makes are intelligent and meritorious, in each case they represent a difficulty involving ourselves and our allies that will not be easy to put into effect. But something of the kind proposed is absolutely essential. Some people have the feeling that the problem is nearing solution because announcement of the interest-equalization tax has stemmed the flow of capital abroad. Results of the statistics of the past 2 or 3 months show that in that period we have not lost much gold and that our balance-of-payments situation is improving. Those statistics, however, should be viewed in the perspective of what is causing this temporary correction. The basic problem is one which gives evidence of becoming permanent unless we take action against it.

The Senator from Missouri is correct in saying that we are going deeper into debt and losing our freedom of action. We are getting into a position in which we may be forced to act, and act precipitately, and perhaps against the interests of the free world, unless we put into effect such recommendations as the series of carefully worked-out proposals which the Senator from Missouri recommends.

The Senator from Missouri has made an excellent and persuasive presentation. I hope it receives the kind of national attention and consideration it so richly deserves.

I thank the Senator for yielding to me.

Mr. SYMINGTON. Mr. President, I am very grateful for the remarks of the senior Senator from Wisconsin. After serving with him many years, it is my conviction that no Member of this body has more grasp of the fiscal and monetary policies of the United States, and the problems involved therein than does the Senator from Wisconsin.

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

Mr. SYMINGTON. I yield to my able friend from New York.

Mr. JAVITS. First, I believe the whole country—and certainly the Senate—should be grateful to my colleague, the Senator from Missouri, for his presentations; so intelligent, so thoughtful, so provocative, and so original. I compliment the Senator. I know that if millions of people could speak on the floor of this Chamber they would speak as I do.

I wish to make two points with my colleague, the Senator from Missouri. Like our beloved friend, the Senator from Wisconsin, the Senator knows that I also have addressed myself to these problems.

The first point is, Why are we agitated about the balance of payments? It is not that the United States does not have great resources, great productive power, or is not solvent. We are exercised because it is a "fever chart." The appraisal of the world is that we are not doing as well as we need to do to carry the load. Either we must disengage from some of the load or we must do much better, as in export trade and other matters which produce dollars.

The Senator mentioned tourism, which costs us $1.5 billion a year.

Mr. SYMINGTON. Yes, I mentioned tourism.

Mr. JAVITS. That is the first point. That is what the American people must realize.

We are not belaboring the subject because of the $3 billion a year involved. We are belaboring it because of the trend.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

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

Mr. PASTORE. Mr. President, have I time available?

The PRESIDING OFFICER. The Senator from Rhode Island has 15 minutes.

Mr. PASTORE. I yield all my time to the Senator from Missouri.

Mr. SYMINGTON. I thank my friend the distinguished Senator from Rhode Island for his typically gracious courtesy. and take this opportunity to congratulate him on the way he is handling this bill.

Mr. JAVITS. We are discussing the fact that the stability of the dollar is the base upon which world finance depends. Our own operations show that we are carrying too big a load. Either we must disengage ourselves from some of that load, with our allies, or we must find ways of financing it better than we have in the past.

Incidentally, like the Senator from Missouri, I am devoted to the foreign aid program and other programs, so I believe the answer is that we must find some way for greater burden sharing, and we must make efforts to deal with the problems of the general type the Senator has described, with which other Senators have also dealt.

There is another point which is quite important to the two Senators who have spoken and to the majority. Some of the most original and provocative ideas in this Government are voiced on the Senate floor. Senators are pretty important people. At least, the people of the country so believe. They send Senators back, in votes by the millions, for long terms.

When a suggestion comes from the Senate floor it seems to me that it falls like a stone in the sea. That is the end of it. No executive department takes any interest in it, unless beaten over the head with an amendment or some hearing and compelled to pay attention to it. Then they suddenly discover that ideas are presented.

When the President makes a suggestion or when the Secretary of some Department makes a suggestion, we comment on it. We are interested. We see what can be done. We introduce bills, and so on.

I hope very much that Senators who have addressed themselves to this subject will use their influence with the executive departments, so that when ideas are proposed they will be given serious and thoughtful study and consideration, and we will get a reaction, to find out whether they are right or wrong and whether anything can be done in governmental policy.

That is the least tribute that can be paid to such thoughtful, painstaking, detailed work and original thinking as evidenced by the presentation of the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I am very grateful for the comments of the distinguished Senator from New York. He, too, is an expert in this field. One of his talks last summer stimulated me to look deeper into this entire problem. I also agree more attention should be paid to the problem.

Not long ago the gold reserves of the great country of France were less than a half billion dollars. Recently they were more than $3.7 billion.

Not long ago the gold reserves of the great country of the Netherlands were around $300 million. Recently they were $1¾ billion.

Not long ago there were little or no gold reserves in West Germany. Now their gold reserves are tremendous.

We have done our best, during all of this time, first to help these fine friendly countries get back on their feet, and we have had something to do with giving them the greatest prosperity they have ever known. At the same time, our own gold reserves have dropped from over $24 billion to less than $16 billion.

In addition, we have callable liabilities in foreign countries of from $25 to $28 billion, depending upon how one figures certain international commitments. Inasmuch as these current liabilities we have incurred are callable in gold, and inasmuch as we must keep $12 billion of our $15.8 billion of gold available as guarantee against our currency, actually we have available less than $4 billion in gold to put up in case we should be called upon to redeem in gold these $25 to $28 billion.

The more one goes into these figures the more apprehensive one becomes.

Regardless of the physical strength and productive capacity and capability of this country, it seems to me that economic freedom is beginning to move away from our shores.

Mr. GRUENING. Mr. President, will the Senator yield for a comment?

Mr. SYMINGTON. I am glad to yield to my able friend the Senator from Alaska, who has made constructive observations about this problem in the past.

Mr. GRUENING. I wish to join my colleagues in congratulating the senior Senator from Missouri for his thoughtful speech. The Senator has made a great contribution.

I should like to add one thought, which I believe is pertinent in respect to our diminishing gold supply.

For several years those of us who serve on the Committee on Interior and Insular Affairs have sought to find some legislative approach to stop the drain. Our gold-mining industry is practically extinct now, and is becoming extinct due to the fact that during the war an order was given abolishing all gold mining. This was not done by our gold-mining allies. It was not done by Canada. It was not done by Australia. It was not done by South Africa.

Every proposal which we make meets with an objection from the Treasury

Department that anything we do in behalf of the gold-mining industry somehow will cause panic. None of us who serve on the Interior and Insular Affairs Committee, who have heard these remarks repeatedly, can see any justification for them. We have sought again and again to induce the Treasury Department, since it does not agree with the proposals made by the Senator from California [Mr. ENGLE], by the chairman of the committee, and by other Senators, to come forth with some alternatives. The Department does not produce any.

That is a very shocking situation. In the other countries of the world where gold is found, it is being mined and cultivated. We are allowing our industry to perish, and are making no attempt to preserve it.

Mr. SYMINGTON. Mr. President, I thank the Senator from Alaska for his able and informed contribution to this discussion.

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

Mr. SYMINGTON. I am glad to yield to my friend the distinguished Senator from Alabama and ranking member of the Foreign Relations Committee.

Mr. SPARKMAN. As I have said to the Senator from Missouri privately, I believe he has given us a series of thought-provoking speeches. I have expressed the hope that the Senator would have them printed in a single brochure which might be made available.

There was one thing in the Senator's speech today which somewhat confused me. I should like to ask a question about it. I refer to the first point the Senator made with reference to the increase in short-term interest rates, I believe.

Mr. SYMINGTON. Yes.

Mr. SPARKMAN. And our effort to discourage American money from going abroad for the building of plants and so forth.

I wondered what effect that would have. The Senator says it is not effective. I read in yesterday's press a column by a very distinguished and fine economist, Mr. J. A. Livingston. If I remember correctly, Mr. Livingston said that he had been one of the "doubting Thomases" who did not believe it would work, but, he pointed out, it was working and was having a decided effect on our outflow of capital.

It seems to me that is in conflict with what the Senator from Missouri said, and I wonder what his comment would be.

Mr. SYMINGTON. I did not read the Livingston column. Private investment abroad has returned much capital in the way of dividends. It has cost us jobs here. The able Senator is, I believe, talking about short-term improvement in the last quarter, less gold leaving this country. Whereas slightly more than 6 months ago, gold was going out at an average of some $5 billion a year, that was cut to a little over $1 billion a year for the last quarter. An increase in interest rates had something to do with it. The Senator from Wisconsin brought out other reasons.

If we followed any extended policy, however, of increasing our interest rates, we would slow down the rate of growth of our economy, and our gross national product would be affected, and unemployment would increase. Such action does not appear to be the ultimate solution.

Mr. SPARKMAN. I agree with the Senator, except for this: My recollection is that Secretary Dillon tried to draw this distinction very clearly when the policy was announced—that is, the policy of seeking an increase in short-term interest rates, but not in long-term interest rates. In other words, the long-term interest rates would primarily affect our economy, and the short-term interest rates would affect the tendency to invest abroad.

Mr. SYMINGTON. At times based on certain actions, the rate of outflow of gold considerably improves; but later the flow increases. I am reminded of a person saying, "good news today. The cancer has improved. It is better." Next week it becomes worse, however, then better, then worse again. Everyone knows that if such a situation continues, eventually there will be extinction of human or economic life. I do not see how we can afford not to do some things fundamental in recognition of this balance-of-payments problem.

Mr. SPARKMAN. I am in complete agreement with the Senator.

Mr. SYMINGTON. Before relinquishing the floor, I want nothing to be construed as being critical of our friends and allies. I have nothing but admiration, respect, and deep affection for them. But I would hope that we would start looking at our problems in our country, the way it is clear they are looking at their problems in their countries.

Mr. PROXMIRE. Mr. President, will the Senator yield on the point raised by the Senator from Alabama?

Mr. SYMINGTON. I yield.

Mr. PROXMIRE. The Senator from Alabama was talking about the interest-equalization tax, which would be a tax on the interest paid by foreigners borrowing from this country. It would not affect the interest rate in this country, as I understand.

Mr. SYMINGTON. Yes.

Mr. PROXMIRE. While I am wholeheartedly for it, and I think the Livingston column is right, that it has worked well, nevertheless, economists who have testified before the Joint Economic Committee have taken the position that the proposal has already had its full effect, even though such a law has not been enacted, because the effect of the proposal has been discounted—perhaps overly discounted—in the past few months. This is why improvement has been sudden, but probably temporary. The export of capital is only a part of our adverse balance-of-payments problem.

The respite of the past few months will be tomorrow, our adverse balance, permanent unless we do something to correct it in some such constructive way as the Senator from Missouri recommends.

Mr. SPARKMAN. Mr. President, I agree. I said I tried to get at the one point.

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, has the pending amendment been withdrawn?

The PRESIDING OFFICER. Not yet.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The Senator withdraws the amendment.

Mr. PASTORE. Mr. President, I yield 2 minutes to the Senator from Alaska [Mr. GRUENING].

Mr. GRUENING. Mr. President, an article very pertinent to the issue before us appears in this afternoon's Washington Star. It is the last of an excellent series by George Sherman, and is headed "Brazil Gripped by Chaos." The jump head on an inside page is "Living Cost in Brazil Up 100 Percent in Year."

The article points out that the Brazilian Government has failed to undertake steps which she promised to take to curb inflation. I quote from the article:

> The United States is caught between not being able to turn its back on the major country of the south, and not being able to work with its government.
>
> As a result the U.S. aid program is virtually at a standstill.

In a later paragraph it says that this program, which is at a standstill, amounted to $100 million last year. If that is a standstill, what would the program cost and amount to if it was really going?

Here is another example of some of the waste and folly which has plagued the program as a result of these governments not carrying out the promises they made and our continuing to give aid nonetheless.

Of course, these loans will not be paid, even though there is a moratorium of 10 years and they are to be paid at an interest rate of three-quarters of 1 percent. The people making those loans in the administration will not be there when the time comes. Our practice has never been to say that the loans are not being paid. When they come due they are merely "refunded." It is a piece of hypocrisy and concealment which at some distant day will plague us.

This article is pertinent to the efforts of the Senator from Oregon and some of the rest of us to bring sanity and sense to the program, which needs them and should have them if it is to succeed.

I ask unanimous consent to have the article to which I have referred printed in the RECORD.

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

PRECARIOUS PARTNERS—BRAZIL GRIPPED BY CHAOS

(By George Sherman)

Brazil, the Goliath of Latin America, is a country wrapped in dangerous uncertainty.

Even Brazilians are beginning to admit that their aspirations to lead the southern

continent are being lost in a quagmire of economic and political chaos.

In the tropical splendor of Rio de Janeiro, or along the busy streets of industrial São Paulo, the visitor easily misses the signs of nagging uncertainty.

The beaches of Copacabana are as full as always this summer season, the lavish hotels are packed and the new superhighways along the bay to the central city are jammed with racing automobiles.

In central São Paulo to the south, new skyscrapers are competing with their elders.

But the uncertainty is nonetheless there. It comes out in the frenetic shopping spree of a nation which lives on credit because it no longer sees either the need or possibility to save. It comes out in a growing rash of strikes reflecting the growing restlessness of workers over their deteriorating lot.

President Goulart himself admits that the cost of living this year has risen 100 percent. "The inflation threatens to devour us," he said in a recent interview printed in a Brazilian magazine. He forecast a treasury deficit for the year of 350 billion cruzeiros (almost $600 million).

No one seems quite sure how the Government can finance the annual "13th month" bonus equal to 1 month's full wages paid workers every December—except to print still more currency. For his part, the President is now backing a demand that the unions negotiate wage boosts every 6 months to keep up with inflation, instead of at the current yearly intervals.

Inflation is no new phenomenon. It has been virtually unchecked for years. But its impact on vital economic expansion is only now understood.

Thanks to fiscal irresponsibility and a series of official discouragements, private foreign investment has dropped to almost nothing. In 1961, such investment was running at $100 million a year. In 1962 it was already down to $22 million. The economic growth rate of 7.5 percent in 1961—the highest in Latin America—today has fallen to the point where it lags behind a terrifying population explosion.

But despite these statistics, most observers believe the basic problem in Brazil is political rather than economic. The country has rapidly developed its natural resources, human know-how, and modern industrial base to launch into the 20th century.

But political leaders still live in another age. They attack national problems with all the primitive passion of feudal barons protecting their fiefdoms.

President Goulart is considered a prime example. Students of politics have long since given up trying to discover what ideology or consistent philosophy of action guides him. He is now attacked on all sides—right and left—as a crass opportunist.

CABINET NEVER SURE

He manipulates power from the cloistered precincts of the presidential palace in the new capital of faraway Brasilia. And even his Cabinet ministers—who are regularly changed over 6-month intervals—are never quite sure what he will do next.

It is generally believed, for instance, that Mr. Goulart urged extremist union leaders in São Paulo to strike last month so as to embarrass and weaken Gov. Ademarde Barros, a bitter opponent of the President.

But the Governor held firm and the commander of the powerful 2d Army in São Paulo backed him up. Strike leaders were arrested, and the right of workers to cross picket lines was protected.

When it became obvious the strike would fail, Mr. Goulart counseled moderation on the unions and took credit for averting disaster.

He also quickly transferred the commander of the 2d Army and still further divided a military already deeply divided over the Goulart brand of politics.

CHAIN REACTION OF SUSPICION

Continued uncertainty has unleashed a chain reaction of suspicion. Mr. Goulart blames the inflation and turmoil on the unwillingness of the conservative majority in Congress to pass the agrarian, tax, banking, and administrative reform laws which he requests.

There is just enough truth in the accusation to appeal to the half-literate masses who rarely look beyond their own crippling misery.

The leaders of Congress have their own appealing answer. They claim that they will not pass drastic legislation completely changing the face of the country when they suspect that the chief executive will use the new power for his own ends.

So fearful is Congress of a Goulart attempt to overthrow the whole constitutional system that the leadership refused to recess this year for its long Christmas holiday.

The result is stalemate. The economic situation deteriorates and there is increased talk about revolutions, coups, and countercoups.

Perhaps the most debated question is whether Brazil can stagger through to the national elections in October 1965.

The debate is heightened by persistent reports that Mr. Goulart is on the verge of shifting his Cabinet to the "nationalist left."

Despite presidential denials, the fear is that such a shift will bring into the Government Leonel Brizola, federal deputy, brother-in-law of the President, and the most outspoken advocate of ending "imperialist domination" of an "independent" Brazil.

REASONS FOR STRENGTH

The personal influence of Mr. Brizola with the President, plus a limited infiltration of Communists or their admirers into parts of the Government, accounts for the strength of leftist nationalism.

As an organized movement, it commands little popular support. And the Communists, who hide behind extreme nationalist slogans, are themselves badly split over whether to follow violent or nonviolent tactics.

On the other side stands Gov. Carlos Lacerda of Guanabara Stata, where Rio is located. He is a determined foe of the Communists and the most outspoken enemy of the President. He attacks Mr. Goulart for everything from corruption to sheltering Communists in his Government. He has also increasingly emerged as a leading candidate for the Presidency in 1965.

U.S. diplomats in Brazil walk a nervous tightrope. They visibly despair of finding any solution.

The United States is caught between not being able to turn its back on the major country of the south, and not being able to work with its government.

As a result the U.S. aid program is virtually at a standstill.

LOAN PAYMENTS NOT MADE

Due to the Goulart failure to carry out an austerity program promised last March, payments on a $100 million loan for currency stabilization have not been made.

The United States has continued food-for-peace programs and loans for essential long-range development projects. These amounted to $100 million for the fiscal year ending last July 1.

These new roads, schools, irrigation and sewage systems, and training programs represent the loan foothold of the Alliance for Progress in Brazil today. They are more hollow symbols of what could be than of what is.

For, it is now quite clear, the Alliance for Progress never will become a living reality in Brazil until a political leadership emerges willing to make it so.

THE TAX BILL AND THE CIVIL RIGHTS BILL

Mr. PASTORE. Mr. President, I ask unanimous consent that the Senator from Iowa may proceed for 10 minutes.

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

Mr. MILLER. Mr. President, ever since this administration gave No. 1 priority to its ill-advised tax cut bill in the House, evidenced by action in the House passage of the tax cut bill long before a civil rights bill was even reported out by the House Judiciary Committee, I have been warning that statements by administration spokesmen that civil rights would be given No. 1 priority are meaningless. It is not words but action that really count, and House action on the tax cut bill first was a warning.

The American people have not yet become acquainted with the full implications of the situation. In today's Washington Post there appears an excellent, timely, and discerning article by the columnists Rowland Evans and Robert Novak, entitled "Johnson's Timetable." The authors, who are well informed about the legislative process and the techniques which can be used on Capitol Hill and in the White House, present an interesting explanation of the reason why House Democratic leaders refused to sign the discharge petition with respect to the Judiciary Committee's civil rights bill, which is now pending in the House Rules Committee, awaiting a rule to permit House debate on the bill. They suggest that the administration does not want prompt action on the civil rights bill; that it does not want the House to act on civil rights before the Senate takes up the tax cut bill, because if this were to happen, the Senate would be forced to take up the House-passed civil rights bill, and this would delay, if not prevent, ultimate passage of the tax cut bill. I say that the Senate "would be forced to take up" the civil rights bill, because its failure to do so would constitute irrefutable proof that civil rights legislation is not of No. 1 priority.

If the Senate takes up the tax cut bill first, there can well be a filibuster, or at least very extended debate, as to it, because there are a good many Senators, including myself, who are opposed to a tax cut without a cutback in spending to make room for it. We do not want to see the American people teased with the illusion that they can have something for nothing—that they can have a meaningful tax cut without a cutback in spending to make room for it. And we do not want to see millions of low-income people, who would gain little or nothing from a tax cut, hurt by the inflation which a tax cut, unaccompanied by a cut in spending to make room for it, would thrust upon them.

If there is extended debate on the tax cut bill, while the House finally takes up and passes a civil rights bill, it could well be that the Senate would not take up the civil rights bill until so late that extended debate on it would permit time to run out in this coming session of Congress without action on civil rights legislation by the Senate; or, if the Senate finally acted, without action by the conference

committee which would attempt to settle differences between the House and Senate.

Mr. President, I believe that most of the Members of Congress wish to see meaningful civil rights legislation passed by this Congress. We may differ over some of the details, but I believe that we can get together on a reasonable bill. But, if this is to be certain of happening, the administration is simply going to have to direct that the tax cut bill take the back seat. If prolonged debate on civil rights legislation results in failure of the tax cut bill, that is a consequence the administration should be willing to accept. And, as far as many of us in Congress are concerned, this is a consequence we will be more than happy to see—as long as the administration adheres to a program of a tax cut without a cutback in spending to make room for it—a program, I might say, clearly enunciated by the President's Council of Economic Advisers and the Secretary of the Treasury.

QUOTATIONS FOR MAY FUTURES IN SOYBEANS

Mr. MILLER. Mr. President, at the close of yesterday's trading in the commodity market, Chicago quotations for May futures in soybeans were $2.80⅞ per bushel. The opening quotation was $2.79½.

Today's issue of the Wall Street Journal, at page 18, reports that traders expected the Government report, which was issued after the close of trading yesterday, to show a drop in production estimates from a month ago; that dealers had expected a fall of only about 2 million bushels in the estimate.

In fact, the report, issued yesterday, following the close of trading, by the Crop Reporting Board of the U.S. Department of Agriculture, shows a drop of 16,717,000 bushels to an estimated production total of 701 million bushels.

The impact of this report on today's market was that trading in May futures in soybeans opened at $2.89¼ and closed at the same figure. Trading was reported as constant at these prices—the maximum limit over the previous day's close. A great deal of money has been made by speculators today. And if anyone had any "inside" information regarding the report that was issued following the close of trading yesterday by the Crop Reporting Board, a great deal of money could have been made illegally.

What prompts my concern is what appears to be an inexcusably inaccurate job of forecasting 1963 soybean production on the part of the Department of Agriculture, the results of which may well have cost our farmers who produce soybeans hundreds of thousands of dollars.

On November 15, May futures in soybeans closed at $2.99. Since that time, until today, a large volume of trading has been as much as 23½ cents lower. It is most unlikely that there would have been such a drop in the market if the estimates of the USDA had not been off so far.

On September 10, the Crop Reporting Board's publication, Crop Production, estimated soybean production, as of September 1, at 728 million bushels. On October 10, the Board estimated production as of October 1 at 727 million bushels. This estimate appeared in sharp contrast to reports of drought conditions in some parts of the country, and particularly to an article appearing in the October 29 issue of the Wall Street Journal which, among other things, pointed out that the associate dean of agriculture of Iowa State University had estimated 1963 soybean production at only 688 million bushels. I ask unanimous consent that extracts from the Journal article be placed in the RECORD at this point in my remarks.

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

Buying in the soybean market followed a statement by the American Soybean Association that drought this year was more widespread and that the effects on 1963 soybean production could be greater than had been anticipated earlier.

The association said reports from Illinois, Indiana, and Ohio noted soybean yields below a year ago. The association added that farmers are holding back more of their production from the marketplace than they have for some time.

The associate dean of agriculture at Iowa State University, Louis M. Thompson, said 1963 soybean production would probably be 688 million bushels. The Government as of October 1 estimated the crop at 727 million bushels.

After the close of trading the Government announced 5,055,857 bushels of soybeans were inspected for export in the week ended October 25. This was up from 4,805,936 a week ago and from 4,367,926 a year earlier. The total for the season, which started October 1, is 13,339,609 bushels, down from 16,325,689 bushels a year earlier.

Mr. MILLER. Mr. President, on November 12, the Crop Reporting Board of the USDA estimated production for 1963 at 718 million bushels, as of November 1—a drop of 9 million bushels from its estimate of the previous month. And now, 1 month later, it has dropped its estimate by 16,717,000 bushels.

Perhaps the most alarming part of these last two estimates is that the unusually dry weather this past fall permitted a generally early harvest, so that most of the 1963 production was harvested before November 1. Under such circumstances, a difference in estimates between October 1 and December 1 of 26 million bushels appears to be inexcusable.

I am requesting the Secretary of Agriculture to look into this situation immediately and to furnish me with an explanation of why this occurred. And I am also directing a letter to the distinguished chairman of the Senate Agriculture Committee suggesting that this matter be investigated by his committee—not only with a view to determining how such inaccurate estimates can be prevented from happening again but also with a view to determining whether there has been any unethical or illegal activity connecting personnel of the USDA and members of the grain trade who have been making profits following release of USDA production estimates.

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

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

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the status of the business before the Senate?

The PRESIDING OFFICER. One committee amendment has not been agreed to.

Mr. PASTORE. Is that the pending business?

The PRESIDING OFFICER. The amendment has been laid aside. Is the Senator ready to call it up?

Mr. PASTORE. Mr. President, I ask that the amendment, which was laid aside, relating to the language at page 17 of the bill, be stated.

The PRESIDING OFFICER. The committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out the language on page 17 from line 9 to line 16, inclusive, as follows:

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.

Mr. MUNDT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. I understand that the time limitation on the amendment is 2 hours, with 1 hour allowed to each side. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Does the Senator from Rhode Island yield time?

Mr. PASTORE. I thought the Senator from South Dakota would proceed first.

Mr. MUNDT. Assuming there are any arguments in favor of the Senator's position, should not the Senator from Rhode Island proceed first?

Mr. PASTORE. The argument in favor of my position is the one which the Senate heard several weeks ago.

The amendment was suggested by the distinguished Senator from South Dakota. It then was agreed to refer it to the Committee on Banking and Currency, which reported it unfavorably, but with minority views.

The proposal was debated exhaustively on the floor of the Senate, and the Senate rejected it.

This is more or less the same amendment that has been inserted in the foreign aid bill by the House. Because of the action taken by the Senate, as I have already said, the Committee on Appropriations rejected this particular language in the bill as it came from the House.

If the Senate is to remain consistent with its position already taken, that nothing has happened in the intervening time that would cause Senators to change their minds, I suggest that the language should be deleted. That is the gist of the amendment.

Mr. MUNDT. Mr. President, I yield myself 15 minutes.

Good causes, like old soldiers, never die. What has been said by the distinguished acting chairman of the committee is correct up to a certain point. But he failed to state that while the Senate has voted twice in connection with the contents of the issue before the Senate, on one occasion it voted not to lay the measure on the table, which was tantamount to voting for its approval; and on another occasion it voted to lay it on the table, which was tantamount to deferring a decision on the issue.

I am not sure what the attitude of the Senate is on the merits of the proposal itself.

On yea and nay vote today, there will be no motion to lay on the table; the Senate will have before it, clearly, squarely, and firmly, the issue of whether it wishes to initiate a policy of placing the credit of the American Government and of our taxpayers' money behind the bad credit of Communist dictators for the purchase of supplies, here or abroad. That is the essence of the issue.

I placed in the RECORD yesterday, for easy reference, at pages 25030 and 25031, the three yea and nay votes which have been taken on this issue, one in the House of Representatives and two in the Senate. In the main, we can fairly well predict how Senators will vote; but there is a "swing shift" of 12 or 15 Senators who have been, at times, on one side, and, at different times, on different sides of this important issue. I wish to direct my remarks primarily to the "swing shift," to try to get them on the right side now, for we are dealing with the basic issue at hand.

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

Mr. MUNDT. I yield.

Mr. LAUSCHE. Were the page numbers to which the Senator just referred pages in the CONGRESSIONAL RECORD?

Mr. MUNDT. The CONGRESSIONAL RECORD of yesterday, December 18, pages 25030 and 25031.

There is before the Senate this time a clear-cut issue. It should have been before the Senate all the time because, in my opinion, this will be a far-reaching public decision, in many ways more significant to the future of America than our vote on the test ban treaty, which was adopted after many days of debate, and which I supported affirmatively, but as to which there was a considerable amount of dissension and discussion.

In this instance, we are called upon to change a policy that the Export-Import Bank has followed since its inception. Never since 1933 and until the recent decision by its Board of Directors, has the Export-Import Bank extended credit to a Communist country or guaranteed credit that the Communists have achieved.

For 16, 17, or 18 years we have followed the congressional and administrative policy of restricting trade with the Red Communist bloc as a part of our cold war technique and our basic American bipartisan foreign policy and as a supplement of the foreign aid processes and programs which we have been debating for the past few days.

When it was announced on October 9 that American firms had received export licenses to trade with Communist countries, and that some of those licenses had been issued to commercial traders for the export of commodities to the Soviet Union and Soviet bloc countries, it was then stipulated that the trade would be for cash, for gold, for cash on the barrelhead, or on normal commercial terms. I submit that it is straining the words "normal commercial terms" to do something which has never before been done; that is, to extend to the Export-Import Bank credit and credit guarantees to the Communist bloc countries. It is unusual. It is unwise. Obviously, it is not in conformity with "normal commercial terms," because a proposed action, which has never been taken before, certainly cannot be considered a normal action.

Mr. PASTORE. But neither have we sold wheat to the Soviet Union before.

Mr. MUNDT. That is correct.

Mr. PASTORE. Naturally, if we are to do one thing we have never done before, as contingent upon something else, why is the Senator so excited or disturbed about the latter part?

Mr. MUNDT. I will explain why I am disturbed about it. Whether I am disturbed or not, it would not be a normal transaction. It has never been done before.

I believe the American people generally do not understand the situation. They have received a wrong impression. Editorials by the dozens have appeared all over the country, either for or against the transaction, on the basis that it was to be cash on the barrelhead. Senator after Senator stated on the floor or wrote to his constituents that he approved or disapproved a policy, which involved the sales of grain for cash or for gold.

So now the issue is squarely before the Senate, and the coming vote will decide exactly the Senate's attitude in this area.

In the second place, the votes which were taken in the Senate were not votes taken on the merits of the bill. Senators have expressed in public and in correspondence the fact that they were voting because of the timing of the situation. They were voting because they did not believe the question should be considered in that bill, or place, in that way or at that time. They said they were deferring action on the proposal by voting to lay it on the table.

But now the moment of truth has arrived. The House has written the provision into the bill. Now we are to decide by our votes the only question: Do we approve or disapprove changing a policy we have followed for from 15 to 18 years; of changing the policy of the Export-Import Bank, which has existed since its inception in 1933?

Do we want to compel our constituents, the taxpayers, to underwrite with their money the good faith, good intentions, and good credit of the Communist dictators? A vote "Yea" would say, "All right, Mr. Taxpayer, you are stuck. If the Communists violate the terms, you will pay for it." A vote "Nay" would continue a foreign trade aid policy which has served this country well for almost two decades.

Furthermore, this is not a proposal which involves the question whether we should trade wheat, corn, cotton, or tobacco. The amendment as approved by the House deals with all products and for all countries. It involves the question whether we want to do business with Communist dictators, helping them to import the things they need to shore up the staggering economy in the Communist countries by means of the credit extended by the American taxpayers?

It involves, in addition to grain, other items which the Soviet Union has been seeking from this country. They have been seeking to purchase alcohol, because they have a shortage of alcohol in their vodka operations. It involves whether we want to extend the credit of the fine, churchgoing people of this country and compel them to pay, from their funds, the losses sustained in providing booze for the Communists—because that also is what is involved.

There is something worse. The Communists have now said they want to produce some $46 billion worth of fertilizer, fertilizer machinery, and fertilizer equipment.

They have said they intend to purchase 50 complete fertilizer plants from the United States; that they would like to spend at least $2,500 million to buy the fertilizer plants—and they want it not only on credit, but on 10-year credit.

If we continue to appease the demands of the Communists as fast in the next 3 months as we have in the past 3 months, we shall be giving them the 10-year credit and also giving them green trading stamps as a bonus or as interest on the easy credit, because we have slipped away from the high position of cash on the barrelhead to a position where we have yielded, first, to giving them a lower interest rate than they can get in Canada.

Second, we have yielded on the basis of no longer requiring cash on the barrelhead. Instead, the proposal now is for 75 or 80 percent to be extended by credit for at least 3 years.

Third, we have yielded to the extent of giving them preferential shipping rates. They have been given a most-favored-nation status.

So we have appeased them at every stage of the negotiations, in our scramble to attempt to sell some of our merchandise to the Communists, so they can strengthen their muscles and increase their stature and become stronger in their attempts to imperil the free world. In fact, we have appeased them to such an extent that next year and the year following, ad infinitum and ad nauseam, the State Department will be able to say to us, "Appropriate $3 or $4 billion more of U.S. aid to shore up the economy of the free world since our sales on credit to Red Russia have enabled the Russians to imperil the economies of the free world countries"—and to do all this by means of aid from the United States extended on credit guaranteed by American taxpayers.

No wonder the House of Representatives voted to make sharp cuts in the foreign aid bill, and no wonder so many cutbacks on foreign aid were voted by the Senate. Our policies have become completely self-defeating.

I submit that it is idiotic to attempt to put us in the business of financing both sides of the cold war at the same time, all with American funds. But, in essence, what is the difference between our approach of cold war foreign aid to the Communist countries, if we permit this arrangement to continue, and our aid to the free countries? The only difference is in the interest rates we charge. We propose to guarantee the repayment of the Russian credits, and to let them have our funds with which to buy supplies in the United States: we merely would charge them a few percentage points more interest than the interest rate we charge for the aid we give the countries which are friendly to us. That becomes the only difference.

Mr. President, at this rate, how long do Senators believe it will take to bankrupt the United States or to destroy whatever efficacy there is in our mutual aid program, if we continue to support both sides at the same time—which is exactly what we have been contemplating in the last few weeks, insofar as the extension of credit to Communist countries is concerned. If we adopt this proposal now, we shall be extending hundreds of millions of dollars of credit—perhaps ultimately billions—to the Communist countries; and if the added credit extended to the Communists does not pay out, the bill will be paid by the U.S. taxpayers. Furthermore, Mr. President, the record shows that the Communists do not pay very well.

Mr. PASTORE. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Does the Senator from South Dakota yield to the Senator from Rhode Island?

Mr. MUNDT. I yield.

Mr. PASTORE. I do not mean any impertinence by the question I shall ask; but I wonder whether the Senator from South Dakota would be inclined to favor the sale of any of our wheat to the Russians. I assure him that I am not trying to "box him in."

Mr. MUNDT. Yes; I would be inclined to favor the sale of our wheat to Russia, by means of cash on the barrelhead at time of delivery provided we did some hard-headed American trading, for once, and did not always trade a horse for a rabbit. If we could obtain a quid pro quo in regard to the Berlin Wall and in regard to Vietnam or Korea, we would be in a position to obtain some victories for the free world.

Mr. PASTORE. But that was not my question.

Mr. MUNDT. The Senator from Rhode Island asked whether I would be willing to have any of our wheat at all sold to Russia; and I answered the Senator's question.

Mr. PASTORE. No; I asked whether the Senator from South Dakota would be willing to have any of our wheat sold to Russia for straight cash; and the Senator from South Dakota has answered by saying that he would be willing to have that done, provided we obtain some concessions, in addition to the cash. Is not that a correct statement of his reply?

Mr. MUNDT. That is correct.

Mr. PASTORE. I realize that the Senator from South Dakota has always been a great protagonist of the USIA information program.

Mr. MUNDT. That is correct.

Mr. PASTORE. Will not the Senator from South Dakota admit, with me, that "poor Mr. Khrushchev"—and I use the word "poor," in that connection, with all the appropriate contempt anyone can imagine——

Mr. MUNDT. Except that I would say "poor credit-risk Mr. Khrushchev."

Mr. PASTORE. After all, all of us love America as much as anyone else does, and all of us hate communism as much as anyone else does. I do not think the Senator from South Dakota believes that he hates communism any more than the Senator from Arkansas or I do. All of us hate communism.

But it is a fact that Khrushchev has held nothing but contempt for our capitalistic system; he has said again and again, "Your system will not work. Your system cannot work. The only solution for humanity is communism."

We have spent many millions of dollars for propaganda purposes; and now we find that Khrushchev is forced to acknowledge to the entire world that the only way he can feed his hungry people is by obtaining food from capitalism. Think of that, Mr. President, if that sort of propaganda is not worth several billion dollars, I do not know how else to describe it. Khrushchev now finds that he is forced to ask capitalism for food for his hungry people, even though again and again he has said, "I will drive capitalism into the sea." But today he recognizes that the only way he can fill the stomachs of the hungry people of Russia is to obtain food from the capitalistic system which he said could not work. Mr. President, we would never be able to buy such successful propaganda—not even for $100 million or $1 billion.

So I say this is the biggest boon to the free world in the cold war, in terms of propaganda, that we have witnessed in the past score of years. Khrushchev has insisted that our system could not work; but now he finds that he cannot feed his people unless he obtains food from us. I say, "Poor Mr. Khrushchev."

Mr. MUNDT. I say, "Poor credit-risk Mr. Khrushchev"—and I shall proceed to prove it.

Khrushchev has taken the same attitude ever since we showed we were willing to play Mr. Sucker. He started, at the beginning of the lend-lease program and the pipeline operations——

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. Yes, if the other side will yield some of its time.

Mr. PASTORE. Mr. President, I am willing to have the time yielded to the Senator from Montana charged to the time under my control.

Mr. MUNDT. Very well.

Mr. MANSFIELD. In the negotiations with Canada, the Russians paid 25 percent down, and paid the rest in 15 months; and in one case they paid 80 percent down, in order to avoid paying more interest.

Mr. MUNDT. Yes, because the Canadian Government was smart enough to charge such a high interest rate that the Russians preferred to pay cash.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I do not yield now. The Senator from Vermont will be able to have time yielded to him from the time available to those on his side.

Mr. PASTORE. Mr. President, I yield to the Senator from Vermont such time as he may use.

Mr. MUNDT. Very well. Will the Senator from Rhode Island yield to the Senator from Vermont the amount of time the Senator from Rhode Island took, in the last few minutes, from the time available to me?

Mr. PASTORE. Absolutely.

Mr. MUNDT. Very well; then it is a "deal."

Mr. PASTORE. Certainly.

Mr. President, I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, I wish to ask how many countries have fully met their lend-lease obligations to the United States. We know that Finland has done so; but how many other countries are completely free of obligation to the United States because of debts incurred during the war?

Mr. MUNDT. That is one reason why I tried to induce the Senator from Vermont to go along with me, in the Foreign Relations Committee, in my effort to have a higher interest rate charged and to make an arrangement for amortization payments, so we could get back some of that money.

Mr. AIKEN. But I do not think the way to do that is to tell our wheat-growers that they must stop raising wheat. Yet that is what will have to be done if we have to sell our wheat on a restricted market. Western Europe is trying to put us out of its market, and the Public Law 480 operations are becoming a little shaky. Under these circum-

stances, soon we shall not be able to even give away our wheat.

Therefore, either we shall have to permit the Commodity Credit Corporation to sell the wheat as best it can, and it will have to repeal the regulations—Congress will not have to do it—which were inaugurated a few years ago; it will either be necessary to remove those administrative regulations, or else we shall have to establish the strongest kind of controls over the production of wheat in the United States, if it no longer will be possible to sell our wheat in Western Europe and if we will not allow it to be sold to Eastern Europe.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield half a minute of his time to me?

Mr. AIKEN. I yield to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for one-half a minute.

Mr. MANSFIELD. What have we been doing under Public Law 480, during the past several years, in Poland and Yugoslavia?

Mr. AIKEN. Yes.

Mr. President, I assume that the time I am using will be charged to the time under the control of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Yes, Mr. President; this time can be charged to the time available to Senators on this side.

Mr. AIKEN. I do not believe we can keep communism and socialism out of the United States altogether, but the U.S. Commodity Credit Corporation is in the business of selling grain to any country. We can take it away from private traders. They do not like it, but we can take it away. We can say to the Commodity Credit Corporation that it must sell direct, if it is sold, or else they must do something else with it, or else we will most likely tell the U.S. wheatgrower that he must let the other countries of the world take over the world market and not plant.

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

Mr. MUNDT. Not at the moment. I do not wish to become diverted into a discussion of the farm program, which is altogether unrelated to the question.

Mr. AIKEN. We cannot separate this problem from the farm problem.

Mr. MUNDT. I could make my point if there were not a single grower of wheat involved. I am primarily interested in the pattern that is emerging. We have already received requests for alcohol, for fertilizer, and for a chemical plant. Borrowing American money and guaranteeing Communist credit to purchase fertilizer and chemical plants, which can be used not only for agriculture but also for warfare, I believe makes this a program of international idiocy, underscored and italicized.

I am pleading for some consistency in our foreign aid programs. Either we are to have foreign aid programs and engage in a cold war, or we are not. But if we are to have foreign aid programs, to the extent of $100 billion now expended for 107 countries, to fight a cold war which has succeeded to the point where the Russian economy is beginning to stagger, are we to call an armistice or a moratorium and say "You are getting in bad shape with this unworkable Communist bureaucracy of yours. If you need something we will give you the money and the credit; we will sell you what you need; we will make you strong again to continue your Communist aggressions" ad infinitum? It does not make sense.

We should decide for ourselves: Are we serious about trying to pinch the economy of the Communists, or are we not?

Concerning the credit risk of Soviet Russia, I should like to quote from an article written by Robert S. Allen and Paul Scott, distributed by the Hall Syndicate in New York City, about the Canadian experience:

WASHINGTON, November 11.—Canada's immense wheat sales to Red China are turning sour. While deliveries of the grain, which the Canadians peddled with zealous eagerness, are continuing on schedule, payment is not. Peiping's installments are steadily lagging. Authoritative U.S. sources estimate the Communists are more than $100 million in arrears.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

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

SOVIET RUSSIA CREDIT RISK

(By Robert S. Allen and Paul Scott)

WASHINGTON, November 11.—Canada's immense wheat sales to Red China are turning sour. While deliveries of the grain, which the Canadians peddled with zealous eagerness, are continuing on schedule, payment is not. Peiping's installments are steadily lagging.

Authorative U.S. sources estimate the Communists are more than $100 million in arrears.

Ottawa is giving no public hint of this disturbing situation. And naturally, Peiping is saying nothing either.

But Canada is sounding out United States, British and World Bank officials on bailing out Red China by lending enough money to meet its overdue installments on the $650 million wheat debt.

In these hush-hush feelers, the Canadians apparently are thinking in terms of a loan of several hundred million dollars to the Communists.

So far, these backstage overtures have gotten no encouragement.

What the next move will be remains to be seen. This matter has become known to congressional leaders, and they are watching it closely. Any attempt to provide Peiping with funds to pay for the wheat it bought from Canada, over U.S. protests, would precipitate a furious uproar.

The Kennedy administration, already deeply embroiled in congressional tribulations, is not likely to risk such a certain violent explosion.

For Red China, its financial difficulties come at a highly inopportune time.

Faced with the absolute need to continue importing large quantities of grain for at least another 5 years, the Communist rulers already are shopping around for new supplies.

Argentina and Australia are being broached for deliveries in 1965.

But the specter of the steadily mounting lagging payments to Canada is casting a pall on China's chances of doing business with those countries. They are hinting at cash-on-the-barrelhead terms.

Canada sold its grain for a 25-percent downpayment and the balance in installments over 18 months after delivery.

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

Mr. MUNDT. I am glad to yield to my good friend.

Mr. MANSFIELD. It is my understanding that the transaction being proposed is not with Communist China but with the Soviet Union, whose credit, I understand, is good.

Mr. MUNDT. I do not know where the Senator gets his understanding of the validity of Communist credit, because they have not even settled the debts which they incurred in the pipeline of lend-lease.

Mr. MANSFIELD. The Senator from Vermont [Mr. AIKEN] has raised that question. What the Senator from South Dakota [Mr. MUNDT] has raised is the question of credits to Communist China.

Mr. MUNDT. I am talking about Communist Russia's failure to pay its lend-lease claims. I agree with the Senator from Vermont that there is some legitimacy in their disagreement on that, but not on the pipeline claims or the debts extending beyond that.

We offered to cut $11 billion of Red Russia's bad debts down to $800 million. They refused to settle. They countered with an offer of $200 or $300 million, with the provision that they could purchase materials which they needed from the United States on credit. Now it is proposed to give them the credit. We will not even get our $200 to $300 million payment on the bad debts which have accumulated in the past.

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

Mr. MUNDT. Not at this moment.

Small wonder, Mr. President, that the Wall Street Journal, which knows something about international finance, and serves the financial community of the country, points out in an editorial entitled "How One Thing Leads to Another," how we have adopted an American foreign policy based on slippage and expediency. We make a brief announcement that the Communists will not buy this—and we retreat; they will not buy that—and we retreat; and we continue to retreat. I submit this can go on into the billions of dollars. If we establish for one segment of the economy its right to sell on credit guaranteed by the U.S. taxpayers, we must establish it for all.

Mr. President, because it is pertinent to the debate, I ask unanimous consent to have the entire editorial from the Wall Street Journal printed in the RECORD.

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

[From the Wall Street Journal]

HOW ONE THING LEADS TO ANOTHER

When the Russian wheat deal was first proposed last October, the late President Kennedy, in clear and specific language, laid down some excellent terms. He carefully explained what the deal would be—and would not be.

This would be a private, commercial transaction, the Government's role being limted to granting the necessary permission, he said.

The sale would be for gold or American dollars, either cash on delivery or "normal commercial terms." Basically, in his words, "the Soviet Union would be treated like any other cash customer * * * who is willing and able to strike a bargain with private American merchants."

In presenting this arrangement, Mr. Kennedy emphasized that one feature of it was that the wheat sold to the Soviet Union would be carried in American ships.

Thus while even then the wheat sale was *not without its critics*, it was generally accepted by the public on the basis of this straightforward arrangement. On such terms the Russians could buy wheat on the world market anyway, and it seemed as though we would get a fair "quid" for the Russian "quo."

Now, it seems things aren't quite what they seemed.

One of the first things that happened, once the Soviet buyers got the U.S. Government's approval to the principle of a sale, was that they balked at having the wheat shipped to them in American ships. Mr. Khrushchev, figuratively at least, banged the bargaining table, and the U.S. Government relaxed this part of the arrangement.

After that it developed that the Soviet Union didn't want to pay cash after all, either in gold or U.S. dollars. Nor were the Communists willing to deal on "normal commercial terms," meaning such short-term credit as they might get from either the private sellers or private banks. A few efforts at obtaining such credit on their terms, here and in Europe, were unproductive. Whereupon the Soviets said to us: No credit, no deal.

So next the proposition was that the U.S. Government, through the Export-Import Bank, itself finance the Russian wheat purchase by guaranteeing a loan for 75 percent of the purchase price.

The first reactions to this, not unreasonably, were objections in Congress. A bill was introduced to prohibit this U.S. financing of Russian trade. And although Treasury Secretary Dillon argued that we must underwrite the sale or there would be no sale, the Senate Banking Committee appeared unpersuaded that the deal was worth that price. Appeared unpersuaded, that is, until the assassination of President Kennedy.

Then, in the aftermath of that tragic event, the Senate committee quietly decided to put aside its *objection to* financing the Russian wheat sale. The explanation given was that this was intended as a tribute to the man who had so carefully spelled out the original terms, and somehow as a gesture of confidence to the new President.

This action had hardly been taken, yielding one more point to the Soviet bargainers when there developed an argument over the shipping rates for transporting the wheat to Russia. The Russians decided they were too high, implying that if something can't be done to get cheaper shipping rates—a special U.S. subsidy, perhaps?—maybe they would have to get their wheat somewhere else.

What interests us here is not so much the wrangle over the Soviet Union's credit standing, although Senator MUNDT had a point about the unpaid Soviet debts due us from World War II. Nor so much even the fact that a Soviet wheat loan would be a major change in the Export-Import Bank policy, which has so far never extended credit or credit insurance to a Communist bloc country.

Rather, the intriguing thing here is the progressive change in the wheat deal and the attitude of U.S. officials to the changing Soviet demands. We have witnessed a typical Communist maneuver. First a proposition that has the sound of reasonableness. Then, a bargain seemingly struck, demands for a "little change." Finally, this being agreed to, a new set of demands. The same sort of thing has happened a thousand times over in different kinds of bargaining with the Communists.

Unfortunately, the American reaction is also all too typical. Congratulations at a well-struck bargain; next a little yielding in the hopes of saving the bargain. Finally, "getting a deal" seems to become to us as important as the terms of the bargain. And before you know it, the Russians have what they were after in the first place.

Whatever else may be said about the present proposals, they are a far cry from the thoughtful terms laid down by President Kennedy last October. It is really astounding, when you think of it, how one little thing leads to another.

Mr. MUNDT. Mr. President, the Russians have gold. They do not have the wheat that they need. They do not lack it to feed themselves; they do not have the wheat they need to fill the commitments to Western European countries, to Cuba, to China, and to their satellites. Why do they not pay gold and get their wheat and become the "big brother" among the Communist bloc countries?

It is my considered judgment that Communist Russia is more interested in establishing a line of credit in this country than in purchasing wheat, or even alcohol for their vodka for the "happy hours" they hold in Moscow, or perhaps even more for fertilizer. They wish to establish a line of credit and then, after having established it, to give us the old double heave-ho. They would renege as they have reneged before. This is obviously to their interest, because they recognize that their economy has faltered, and is faltering even more as it goes along.

I ask unanimous consent to have printed in the RECORD an article published in the New York Times and an article published in the U.S. News & World Report which spell out precisely the 10-year credit terms that the Communists would like to get for the purpose of fertilizer plants, alcohol, machine tools, and other products in this country, quoted, in the words of "poor credit risk" Nikita Khrushchev himself.

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

[From the New York Times, Dec. 10, 1963]

KHRUSHCHEV PLANS VAST INVESTMENT TO SPUR FARMING—SAYS $46 BILLION EXPANSION OF FERTILIZER OUTPUT WILL DOUBLE GRAIN HARVEST—WESTERN CREDIT ASKED—PREMIER TELLS PARTY CHIEFS SOVIET IS READY TO PLACE LARGE ORDERS ABROAD

(By Theodore Shabad)

Moscow, December 9.—Premier Khrushchev announced today a 7-year program of expansion of the chemical industry designed to double farm production by 1970.

The Soviet leader said Moscow was opening a substantial market for chemical equipment. It is ready to place orders in the West in addition to $1 billion worth of goods to be delivered by Soviet-bloc countries, he added.

Mr. Khrushchev warned Western suppliers against attaching "political conditions" to any sales on the supposition that the Soviet Union was in an unfavorable bargaining position as a result of this year's wheat crop failure.

He said the Soviet goal of 70 to 80 million tons of fertilizer by 1970, half of which is to be used for grains crops, would make it possible to double the production of grain and livestock fodder compared with this year's level.

INVESTMENT ESTIMATED

The Government investment required for the 7-year chemical plan was put by Mr. Khrushchev at 42 billion rubles ($46 billion), including 25 billion rubles for chemical plants and 8 billion for the development of additional raw materials and electric-power requirements.

The total Government investment in economic development is now running at a rate close to 40 billion rubles a year.

In what seemed to be an attempt to justify Moscow's large grain purchases against apparent criticism within the Soviet Union, Mr. Khrushchev disclosed that in 1947 people in the Soviet Union died of hunger because of Stalin's policy of exporting grain even in poor crop years.

The Premier's speech, 4½ hours long, opened a week-long meeting of the Communist party's central committee. More than 5,000 guests were present in the modern Palace of Congresses in the Kremlin.

The text of the speech covered 5 of 6 pages of Izvestia, the Soviet Government newspaper, and of a special evening edition of Pravda, the Communist Party newspaper.

Except for the prospects of buying chemical equipment abroad, Mr. Khrushchev did not touch on foreign policy matters in what was his first major address since the death of President Kennedy. Observers suggested he might discuss international problems later this week in summing up the party discussions.

The Premier charged that "the most reactionary and embittered enemies of socialism like Adenauer and others" were seeking to exploit the Soviet Union's agricultural difficulties.

Former Chancellor Konrad Adenauer of West Germany suggested in an interview that the West should extract political concessions from Moscow before agreeing to large-scale sales of grain and chemical equipment.

Mr. Khrushchev also alluded to the breakdown of Soviet-United States wheat negotiations over high shipping rates. He said.

"Bitterly disappointed will be those who expect to make fabulous profits, using a seemingly advantageous situation, who expect the Soviet Union will be compelled to accept any agreement because it supposedly has no other way out."

Warning that Soviet chemical equipment orders would go only to those who "are willing to earn an honest living," he made such purchases conditional on the granting of credits, which he described as accepted practice in commercial relations.

In disclosing criticism in the Soviet Union of Moscow's purchase of 10 million tons of wheat abroad, Mr. Khrushchev said:

"It seems there are people who wonder why we are now buying wheat whereas previously, with smaller crops, we always sold wheat.

"What can one say to such people? If grain were to be distributed to the population according to the method used by Stalin and (Vyacheslav M.) Molotov, then we could have sold grain abroad this year too. They sold grain while in some areas people had bloated stomachs, or even died from lack of food. Yes, comrades, it is a fact that in 1947 in some regions, for example the Kursk area, people died of hunger. And grain was exported all the same."

PROFITS IN UNITED STATES CITED

Mr. Khrushchev explained his chemical expansion program entirely on economic grounds, with frequent references to U.S. experience.

He said profits of U.S. chemical companies, especially in the petrochemical field were up to 80 percent higher than the average profits of all manufacturing concerns.

The Premier ascribed high U.S. agricultural output not to "any special American wisdom" but to the fact that the United States was using 4 times as much chemical fertilizer per acre as the Soviet Union.

The Soviet leader warned that the rate of growth of some industries would have to be slowed in view of the radical shift of investment capital to chemicals, but he did not identify the sectors.

Although a rapid increase of fertilizer production was presented by Mr. Khrushchev as the principal immediate goal of the chemical program, he also stressed the use of chemical fibers, plastics, and other synthetics in consumer goods, industry, and construction.

[From U.S. News & World Report, Dec. 23, 1963]

Business sources in Geneva say Russia will try to buy at least $3.5 billion worth of equipment, including 50 complete chemical plants, from the West. But they also say Russian officials want 10-year credits.

Mr. MUNDT. Mr. President, I hope that the Senate, which now has the responsibility of meeting the issue head on, will vote to relieve its constituencies and taxpayers of the potential liability of underwriting the promissory notes of the Communist dictators, especially Communist Russia.

Mr. President, I should like to inquire of the Chair as to how much time I have consumed?

The PRESIDING OFFICER. The Senator has spoken for 24 minutes.

Mr. MUNDT. Mr. President, I yield myself 3 additional minutes.

It is interesting how this transaction is being handled economically. The international grain companies, which stand to make a profit by selling the wheat, leaped at the opportunity to send representatives to Ottawa where the Canadians were already dealing with Russia, and said, "Let us get in on this bonanza." When the transaction was accepted, and they found out it was not on cash they reneged. They said, "We do not want to advance credit to the Communists." So they went to the international bankers who extend credit all over the world. The Chase Manhattan Bank is a big bank in New York. I do not single them out as any one particular bank, but they are international bankers.

The grain company representatives said, "Will you give us the credit?" The bank said, "On what security?" The representatives said, "On security of wheat shipped to Russia; will you extend credit to Russia?"

They said, "No."

The representatives came to Washington and testified before the Banking and Currency Committee. They liked the idea of the interest rate that the bank would get—higher by far than they could get on a commercial loan in their own area—but they said, "We will not extend them credit without an American guarantee, because Communist credit is bad."

What I am requesting Senators to do is to be as concerned and as considerate about the financial interests of their own constituents as was every officer from a big city international bank who testified before the Banking and Currency Committee and manifested concern and consideration for the security and safety of their stockholders and depositors.

They said, "No." So they said to the United States, "You guarantee the credit."

This is a curious economic situation. Those who are to make a profit by selling the grain are to get all the profit and assume no risk. Those who are to receive the inflated interest payments will make a profit and assume no risks. The American taxpayer is to assume all the risk but is to get none of the profit.

Do Senators realize what they are asked to do, Mr. President? They are asked to give the banks of New York City what is equivalent to a 5-percent Government bond, and to ask the taxpayers back home to buy bonds paying them only 3¾ percent interest to guarantee the return to the big banks of their 5 percent, less a small percentage covering the insurance premium.

I believe this proposal needs a little further study and consideration. The folks back home are asked to buy Government bonds, and they do buy Government bonds as they should, and they are given only 3¾ percent interest. They have a right to know why their money is to be used to insure and guarantee that the Communists are going to pay 5 percent interest to New York bankers, under terms as secure as those on Government bonds, because it is under the same guarantee. What is the purpose of it?

Wheat is running out of our ears in the Commodity Credit Corporation bins of America. This is to be a government-to-government transaction, anyway. Why is it necessary to "cut in" two business segmets for profit without risk, merely to transport the wheat to Russia

The PRESIDING OFFICER. The time yielded by the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 more minutes.

Mr. MUNDT. At least, if we were to sell the wheat direct from the Commodity Credit Corporation to the Russians all we could lose would be the wheat. By this procedure, if the Communists do not make good on the loans, we could lose not only the wheat but also the guaranteed interest rate plus the guarantee of principal.

I do not think any "get-rich-quick Wallingford" could think up a system to put the taxpayer in a worse position, as a part of what is supposed to be the foreign policy pattern developed in America.

This is not a proper and workable foreign policy pattern. As I quoted from the Wall Street Journal, it is a matter of slippage. I believe this proposal deserves to be considered fully. I believe the Senate should accept the House provision. I believe the House acted wisely when, by a yea-and-nay vote it put the language in the bill.

All this proposal would mean is that there would be no further transaction of the kind mentioned until we established an American foriegn policy which does not try to look in three directions at the same time, until we find out what we are doing.

Are we really to continue to try to finance both sides of the cold war at the same time, with the only difference being the interest rates that we charge the Communists, who are against us, a little higher interest rate than we charge the friendly countries which are for us? That is the only difference. There is no other difference between what is proposed to be done through the Export-Import Bank and what is proposed to be done through the AID Administration. In both instances American money is to be made available to buy American supplies to help local economies.

Obviously a careful analysis of the proposal will demonstrate that that kind of program will not work.

We can hold the line until some time in February, March, or even May—whenever the new administration decides it wants to propose a consistent pattern of foreign policy, a trade aid program that makes sense. Then we can act upon it.

I submit that Senators should vote "no" on the pending amendment offered by the Senator from Rhode Island. By doing so we shall serve the public and world peace exceedingly well.

Mr. President, I reserve the remainder of my time.

Mr. YOUNG of North Dakota and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. Mr. President, I yield 10 minutes to the Senator from North Dakota [Mr. YOUNG].

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. YOUNG of North Dakota. Mr. President, while this is called a wheat amendment, it would affect practically all segments of our economy.

Our allies have been doing about $7 billion a year worth of business with the Communist bloc countries. The Studebaker Corp. is a good example. That corporation has discontinued its automobile production in the United States entirely and moved to Canada. Why? Because from Canada it can sell its products to Russia and the Communist-bloc countries.

A one-nation blockade as is the case presently is not apt to succeed and we may go broke in the process. At least, we may cripple ourselves badly. I make reference to the poor balance-of-payments situation we face at the present time.

Wheat growing is one of our major industries. This year Canada had the biggest crop in history, on its second greatest acreage. Last year the United States had the smallest acreage planted to wheat since 1904. We are faced with the liquidation of our wheat industry, which has been a major industry. In the meantime, we are accomplishing nothing.

I doubt very much that we have anything to gain by withholding wheat from Russia or the Communist-bloc countries. Argentina has a big crop coming on. So does Australia. The Argentine crop will be one of the biggest in history. Canada has a great deal of wheat unsold

which can be sold and delivered next spring. That can be made available as soon as spring comes, when shipping facilities will be more adequate. Russia and bloc countries can get the wheat in time.

In the meantime, the members of the Communist Party in Russia will not be starving. The poor people are those who will starve; those who would like to be on our side.

Hungary is a good example. The people of Hungary not long ago tried to overthrow the yoke of communism. Those people will go hungry, if there is a shortage of wheat. They are our friends and would never understand why we would not make our wheat available to them.

Much has been said about the drought and the bad crop situation in Russia. It is true that Russia has had its poorest crop in history. Part of that is due to their poor system, and a large part of it is due to drought. Many people believe the Russians will never be able to again produce enough wheat to feed its people.

I remember what happened during the drought years and the dust years of the 1930's here in the United States. Many so-called experts of agriculture at that time were saying that the land would never produce again. One of the first news stories I ever had was when an out-of-State expert came to me and said, "What will you do now, with no topsoil, all of it blown away?" I said, "When the rains return the land will produce again."

That land is now producing twice as much as it produced previous to the drought years.

Any nation like Russia, which put the first man into space, can find a way of producing fertilizer. Land now more or less has become a receptical for water and fertilizer. If rainfall is ample and they can pour on fertilizer, the land will produce. This is the program Russia is embarking upon. The Russians will wish to become self-sufficient in the future as to food and fiber. We would be far better off if the Russians had to depend upon us for part of their food supply. Then they could not be quite as independent as they are now.

Much has been said about the credit involved. I believe that is a major consideration in the proposal. All of our allies provide loan insurance to their local business interests which trade with the Communist bloc countries.

If this proposal were adopted, the United States would be the only nation that did not provide this kind of credit insurance.

This would do nothing to stop Public Law 480 sales to Russia or to Communist bloc countries. We sold 450 million bushels of our food commodities to Poland under Public Law 480, and received their local currencies in exchange. Currency that had little value to us.

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

Mr. YOUNG of North Dakota. I yield.

Mr. MUNDT. I believe the Senator misspoke. We cannot, under Public Law 480, make sales to Russia. Those sales must be made to friendly people. We do make sales to Yugoslavia and Poland.

Mr. YOUNG of North Dakota. The Senator is correct. We can and do make sales to the Communist bloc countries.

Mr. MUNDT. That is correct.

Mr. YOUNG of North Dakota. This proposal would do nothing to stop the sale of grain to Poland or to other Communist bloc countries.

During the past 10 years, starting with the Eisenhower administration, we have given to Yugoslavia, in grants and loans and Public Law 480 sales, $2.4 billion. There is nothing in the proposal whatever to stop that kind of give away proprograms. All of that could go on as before.

All that we would accomplish would be to stop the insurance on the sales to Russia and bloc countries and virtually stop all sales. If our Government were handling it, like the other governments do, credit insurance probably would not be necessary. I do not know of any grain dealer in this country who is big enough to handle this kind of transaction alone. If we are to have the sales, we must have this type of insurance. It is absolutely necessary.

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

Mr. YOUNG of North Dakota. I yield to the Senator from Vermont.

Mr. AIKEN. While we cannot sell under Public Law 480 to Russia and other countries of Eastern Europe, so far as I know there is no law against the Commodity Credit Corporation selling grain in its possession to the countries of Eastern Europe.

It seems to me that we would force our private grain trade out of the business of selling to those countries and force the trade into the hands of the Government, and we would be doing perhaps the very thing we want to do least.

I point out also that we are aware of the strongly rising sentiment against foreign aid in this country. It is very much evidenced by the bill now before the Senate. It has been cut at least $1¾ billion from the original request.

I think I am correct in saying that the taxpayers of the country would be no more happy with a $500 million a year payment to producers for raising wheat that we could not sell and did not need than they would be with spending $500 million for the assistance of some country we did not like too well, or a country we liked, for that matter.

I do not think the taxpayers are going to be any happier with a huge farm subsidy than they are with the foreign aid bill.

So we would either have to pay a subsidy to the growers to keep their heads above water or restrict their growing and cut their acreage down to the bone. We may have to do that, because Western Europe would like to get our wheat market. Western Europe can produce all it wants, and also Eastern Europe can, once importation of wheat from the United States can be restricted.

The Canadians and the Australians have gone out for the business. Australia is making 3-year contracts with the Communist countries. I always thought the Canadians and the Australians were good traders. They always have been with us.

So they are trying to get the business. France and Western Europe could produce all the wheat they needed, provided imports from this country could be restricted and they could get a higher price.

What do we want to do? Do we want to add a billion dollars to farm subsidies and storage costs, shall we permit the sale of the wheat on the world market by the private trade, or do we want the Government to sell the wheat and take the private traders out of business? It is well known that in Canada the Government handles the entire wheat crop. In Poland I am told the Government handles only 20 percent.

Mr. YOUNG of North Dakota. Mr. President, a few years ago everyone in the grain-producing areas wanted to get rid of the surplus. This was true here in Washington. But in recent years there has been a strange development. I do not charge the proponents of this proposal with any such thinking, but it is strange that in the grain-producing areas storage has become a big business. The Government pays $400 million a year in storage charges. It has become a profitable business. The great majority of the people in my State want to get rid of this costly storage and there are some in some areas who would like to continue the big stockpile of grain so they could continue to receive lucrative storage payments. In some cases this is a bigger business than the growing of grain itself.

In closing my remarks, let me say that for many years we have been giving money to countries all over the world. We have been lending to them, we have been giving them huge grants of money. We have been selling wheat to them for foreign currencies which have little value. Here we have an opportunity to sell a commodity of which we have a great surplus and derive some good from it and get some dollars in return. I think it is worth trying.

Mr. AIKEN. Mr. President, would the Senator say——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I yield 1 minute to the Senator.

Mr. AIKEN. Would the Senator say there is as much profit in storing and handling a bushel of surplus wheat for 5 years, which will not be sold, than the farmer gets for raising it? Of course the storage of surplus commodities has become big business.

Mr. THURMOND. Mr. President, the Senator from South Dakota agreed to yield me 15 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, twice within the past 5 weeks the Senate has considered the question of whether the Export-Import Bank should insure credit sales of agricultural commodities to Communist countries. On motions to table amendments which would have prohibited the Export-Import Bank from insuring such sales, the Senate voted in the negative on November 14 and in the affirmative on November 26.

The Senate should welcome this last chance to reconsider the matter on a direct vote.

Let me say at the outset that I oppose the sale of wheat or other commodities to the Soviet Union. Food is a weapon in the cold war just as much as bullets or bombs. The acquisition of food by the Soviet Union from the United States will relieve the pressures on the Soviet Government and may even make it possible for the Soviets to continue diversion of their own resources from agricultural and food-producing segments of the economy to military preparedness.

Less than 2 weeks ago, we marked the 22d anniversary of that day of infamy when Pearl Harbor was attacked by the Japanese. It was on that day of December 7, 1941, that the United States began to collect its returns from its sales of scrap metals, which were surplus to our needs, to the Japanese in the days prior to World War II. There were few people in the United States in the late 1930's who saw any danger whatsoever in selling scrap metals to the Japanese. These scrap metals were something we had and did not know what to do with. We needed the money and Japan wanted to buy.

I am aware, of course, that the Communist bloc nations can possibly buy wheat and other commodities to meet their minimum needs from other nations in the free world, although I am not convinced that all of the amounts of grain needed by them can be acquired elsewhere. There is a matter of principle involved, however, and two wrongs do not make a right. The United States has assumed the role of leadership in the free world. We profess to stand foursquare against Communist aggression. If we succumb to the temptation to seek profits from the Soviets, despite their announced goal of world domination, many people across the face of the earth will interpret this sale as proof of the fact that the United States is motivated primarily by the quest for the almighty dollar.

The issue before the Senate, however, does not reach so far as to prohibit the sale of agricultural commodities to Communist nations. It is of a much more limited scope. This amendment would merely prohibit an agency of the U.S. Government, financed with the American tax dollars, from insuring payment on credit sales of surplus agricultural commodities to Communist nations.

The Export-Import Bank is an agency of the United States. It is a creature of Congress. It is not private in any sense, nor is it an international entity. Its basic financing comes from funds taken out of the Treasury of the United States, despite the fact that it does charge fees for insuring loans and interest on loans which it makes. It is proposed that the Export-Import Bank, for a small fee, guarantee or insure private lending institutions against the risk that Communist nations including the U.S.S.R., may not pay the debts which would be incurred by the credit sale of surplus wheat or other commodities to such countries.

Mr. President, I do not believe that the American public would willingly underwrite this risk. This is not a loan to some free world brother-in-law based on sentiment, rather than on the credit reliability of the borrower. We are dealing with nations, the governments of which are sworn to bury us and our freedom. At the very least, the would-be purchasers and borrowers should be treated at arm's length on a purely business basis. And on a purely business basis, Russia, for one, rates as an unacceptable credit risk.

When it comes to making loans to Russia, the United States is more than a two-time loser. On World War I loans extended to Russia, that nation is in default in an amount now exceeding $621 million. This is by no means the only bad debt we are carrying on the books from the Soviet Union. In addition to the unliquidated amounts owed by Russia to the United States for lend-lease shipments to Russia during World War II, which amounted to approximately $11 billion, the U.S.S.R. still owes in excess of $205 million for goods received after World War II for which the Soviet Union agreed to pay. I cannot believe that the American public is willing to insure further credit to any nation which has an unbroken record of default on its financial obligations, and a nation which has used its resources in attempting to subvert our Government rather than paying its honest debts to our Nation.

If the U.S. Government is determined to sell wheat and other agricultural commodities to the Communist nations, then at the very least, those sales should be for cash or financed by the Soviets themselves. They have large quantities of gold which can be converted into dollars with which to purchase such grain as they need.

The Government of the United States is noted for its generosity with funds taken from the taxpayer. It is time for the Congress to recall that it has a responsibility to be just before it is generous, and the responsibility to be just extends first to the taxpayer. It would not be just to require the American taxpayer to accept the risk that its sworn enemy, who is already repeatedly in default on its financial obligations to the U.S. taxpayer, will in this instance pay for credit sales of grain or other commodities.

I sincerely hope that the Senate will concur with the wise action of the House of Representatives in prohibiting the Export-Import Bank from insuring payment on credit sales of agricultural commodities to the Soviet Union and other Communist nations.

Mr. MUNDT. Mr. President, I am now happy to yield to the Senator from Nebraska [Mr. HRUSKA]. First I wish to commend the Senator from South Carolina [Mr. THURMOND] on making a good point, namely, that 25 years ago we were guilty of selling scrap iron to Japan and to our allies at the same time, and on his expressing the hope that America has learned more in the last 25 years, and has developed a foreign policy which has not merely shifted from selling scrap iron to both sides in the war at that time to shipping our precious metal, gold, or the equivalent thereof, our credit, to both sides in the cold war at the same time.

It is a very dismal lesson in education if we have learned nothing else in a quarter of a century.

I now yield 12 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the Senate has on two previous occasions debated the issue now before us, but on each of them the votes taken were not directly on the merits of the proposal but rather on motions to table.

The first occasion was during debate on the foreign aid authorization bill, when Members of this body, as well as Americans generally, were shocked to learn that under the terms of the transaction the taxpayers of this country would be called upon to insure the credit of the Soviet Union. This was to be accomplished by a guarantee from the Export-Import Bank that the Communists would meet their payments of principal and interest for the purchase of wheat. Such a guarantee would have made a government-to-government transaction out of a sale which was originally described as one in which private traders would be involved, in which credit would be granted by private banks, and in which those private traders would take the risk with the private banks.

This amazing transformation so jarred the Senate that the leadership's effort to table the Mundt amendment was defeated. The Senator from South Dakota subsequently was prevailed upon to withdraw his amendment in order that it could be reported to the Senate by its Banking and Currency Committee. When the bill was reported, there was no vote on its merits, but rather upon another motion to table which prevailed on this second occasion.

There can be little doubt, Mr. President, that the outcome of that second vote was profoundly affected by the sudden and tragic death of President Kennedy. The vote came just 4 days after his assassination, and within 24 hours of his burial. The Nation and its lawmakers were numb with grief. The merits of this measure seemed to be lost in this emotion. Many of the votes which were cast on that day were unquestionably motivated by a sincere and heartfelt desire to evidence the confidence of the people of this Nation in their new President.

The passage of time has not dimmed the memory of the tragedy which befell this Nation on November 22. But together with other circumstances, it has given us the opportunity to reconsider our previous votes. It is well that we have this further and calmer opportunity to consider this measure, this time directly on its merits.

On this third occasion, the language of the Mundt amendment is a part of the foreign aid appropriation bill as passed by the House. Its purpose is to prevent the Export-Import Bank from guaranteeing the payment of any obligation incurred by any Communist country in connection with the purchase of any product, or in any other way from participating in the extension of credit to such Communist country in connection with such purchase. This debate comes

on the proposed amendment to strike that langauge from the bill. For the first time we are to vote directly on the merits of the proposal.

Mr. President, the amendment to strike should be defeated. The language should be retained.

First of all, for the Export-Import Bank to guarantee any credit extended to a Communist country would be an entirely new venture in its credit insurance program. It has never insured a credit risk for any Communist country or directly extended credit to one, except in the case of Yugoslavia, which both Congress and the Executive have treated in a special category. To allow the Bank at this time to guarantee Soviet Russia's credit would be to establish a new national policy of far-reaching implications.

We should remember that the Eximbank is a Government-chartered institution, the capital fund and operating expenses of which are furnished by tax funds. It is being asked to guarantee payment of Communist countries' obligations because commercial bankers or exporters are not willing to assume the credit risk involved. Those bankers and exporters will not extend their own credit because they regard such transactions as bad risks and the Communists as insecure and unsatisfactory debtors. In this they are fully justified.

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

Mr. HRUSKA. I yield.

Mr. SALTONSTALL. I understood the Senator to say that the exporters considered this a poor credit risk. Am I not correct in saying that because of the Johnson Act the exporters must get the Export-Import Bank behind the transaction; otherwise they cannot make it legally?

Mr. HRUSKA. I did not understand that to be the fact. Perhaps the Senator from Massachusetts has information with which I am not familiar.

Mr. MUNDT. The Attorney General, a native of the great State of Massachusetts, has ruled and declared that that point is not involved.

Mr. HRUSKA. The Attorney General has ruled that this is an extension of credit in normal commercial transactions and therefore not subject to the Johnson Act.

The Soviet Union has demonstrated time and time again that it is not a good credit risk. Its perfidy is not confined to treaties and agreements. In this respect the Soviet Union is at least consistent because it has reneged on almost every loan made to it by the United States during the 20th century.

A recital of these broken pledges could begin with the unpaid obligations stemming from loans made to Russia by the United States during World War I. The outstanding principal on these loans as of June 30 of this year was $192,601,297.37. Interest due and unpaid as of that date was $428,819,108.19. The total amount in default is $621,420,405.56.

The Kremlin today refuses to acknowledge any responsibility for these obligations on the grounds that they were incurred by the czarist government of Russia. Nevertheless, they are obligations owed by the people of the Soviet Union to the people of this country.

Likewise, there is no excuse for Soviet Russia not paying the balance of some $205 million still owing by her under agreement to accept and pay for the pipeline lend lease which had been ordered for them and was scheduled to be delivered at the end of the war.

That debt does not take into consideration the approximately $11 billion shipped to the Soviet Union during World War II under the main body of lend lease. This amount is also outstanding. The last offer to settle this indebtedness was for approximately $300 million. This was made in 1960. No offer has been made since that time. It is ironically significant that this offer is so close to the amount of money involved in the wheat trransaction which has brought this entire matter to national attention.

Now then, Mr. President, the Export-Import Bank Act—12 U.S.C. 635(b)—requires the Bank, among other things, to satisfy itself that the obligor, whether private or government, offers "reasonable assurance of repayment."

In testimony before the Senate Banking and Currency Committee, the President of the Bank declared that its Board of Directors gave adequate consideration to the credit risk involved and found that "reasonable assurance of repayment" existed as required by law in the case of the proposed wheat sale. However, he also testified that the credit would not be forthcoming without his Bank's guarantee. That is, the Bank created and functioning with the taxpayers' funds would undertake a risk that would not be approved by private banks or exporters.

This is borne out by the testimony of three eminent American bankers, who also testified before the committee.

Mr. Alfred W. Barth, executive vice president of the Chase Manhattan Bank testified that the terms of the wheat transaction involve credit factors which commercial banks should not assume.

Mr. August Maffry, senior vice president, international division, Irving Trust Co., New York, N.Y., testified as follows:

Senator DOMINICK. If the Export-Import Bank was not going to guarantee this, what interest rate would you require?

Mr. MAFFRY. We wouldn't go into it at all except on sight terms.

Senator DOMINICK. Cash only?

Mr. MAFFRY. Cash only.

Senator DOMINICK. Why is that? The risk is too much?

Mr. MAFFRY. Yes, sir; not the credit risk, the political risk.

Senator DOMINICK. Political risk. What do you mean by the political risk?

Mr. MAFFRY. The risk that relations between the United States and the U.S.S.R. might deteriorate sharply over the period the credit extended, which would lead to, let us say, a break in relations and a repudiation of any obligations undertaken toward U.S. banks or others.

Mr. John L. O'Halloran, senior vice president, international division, Manufacturers Hanover Trust Co., made the following statement during the hearings:

I repeat that it is utterly inconceivable to me to recommend in any way the extension of private credit in the amount or tenor contemplated by this particular grain sale to Russia. I add, in the case of the obligation of a Russian entity, the very definite political risks, in my opinion, that were mentioned by one of the previous witnesses, that to me, too, is an important element in our rejection of a financial operation involving the magnitude of money, materials, and of the tenor involved.

While these men were testifying on behalf of the Export-Import guarantee, they actually admitted that they could not expect their shareholders and depositors to assume the risks of such a credit transaction with the Soviet Union despite the fact that the Nation was told when the first official Presidential announcement was made on October 9 that this risk would be assumed by "the grain dealers with private banks."

Frankly if this transaction is not sound enough for the shareholders and depositors of their banks, then why should it be any more sound for the people of this Nation?

It should be clear that the interests of the American taxpayers will not be protected unless the language of the Mundt amendment is retained in the bill.

Unless it is retained, this new policy of extending guarantee of credit to Communist countries, which the Bank favors doing, will be a precedent for future allocations of such guarantees or even direct credit extension to strengthen and rescue the sagging economy of Communist countries.

As the Senator from South Dakota pointed out yesterday, there is a great deal more involved here than the question of whether we shall sell some wheat to Russia. What is involved is a basic and fundamental revision of our policy of trading with the enemy.

The Senator from South Dakota has already pointed out that it would lead not only into other agricultural programs, but into sale of commercial fertilizer and other products. He makes a very telling point when he says that if there is as great deterioration in foreign policy in the next 3 months as there has been in the past 3 months, we can look forward to a modification or repeal of the Johnson Act, which makes it illegal to extend on ordinary commercial terms any credit to any Communist country which has defaulted in the payment of its debts to this country.

Premier Khrushchev has already announced ambitious plans to develop the Russian fertilizer industry in order to bolster his sagging agricultural economy. Is it our purpose to provide, through tax-supported guarantees of credit, the means whereby Soviet agriculture can be supported, its exports widened to compete with our own agricultural exports?

It is a curious thing that the point even needs discussion, because either we have been right in our long-standing and ardent efforts to curb communism by military, economic, and political means, or we have been wrong. If we have been right, we cannot possibly contemplate a reversal of that policy as it pertains to the matter now under discussion.

The opponents of the Mundt amendment cannot have it both ways. They cannot come here, as they have done in the past 2 days, and as they did a week

or 2 weeks ago, and cite the Communist threat as the reason for billions for defense and foreign aid, and then come back a few days later and say, "Oh, but we want to get along with the Communists. Let us give in just a little."

The editorial that was cited by the Senator from South Dakota about one thing leading to another is a striking illustration of what can happen when we give way a little.

Mr. President, this Nation, together with our allies in the free world, is locked in a titanic struggle with forces of international communism led by the Soviet Union and its bloc of satellites. We should bear clearly in mind the arguments of the past 17 years on behalf of this foreign aid program under which we have spent so many billions of our country's resources. Its huge spending has been justified as an investment in freedom from Communist tyranny, as an assurance against its spread, and as an expenditure in pursuit of world peace and security.

The late President, transmitting the foreign aid bill to the Congress last spring, said of our assistance program:

> Their aim has been not to gain territories for the United States or support in the United States, but to preserve freedom and hope and to prevent tyranny and subversion in dozens of key nations all over the world.

In the course of that April 2 message, President Kennedy recalled the Marshall plan as having made it "possible for the nations of Western Europe, including the United Kingdom, to recover from the devastation of the world's most destructive war, to rebuild military strength, to withstand the expansionist thrust of Stalinist Russia."

Of an earlier episode, the message stated:

> History records that our aid programs to Turkey and Greece were the crucial element that enabled Turkey to stand up against heavy-handed Soviet pressures, Greece to put down Communist aggression, and both to recreate stable societies and to move forward in the direction of economic and social growth.

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

Mr. HRUSKA. I yield.

Mr. FULBRIGHT. I was curious about a point the Senator is making to cite reasons for foreign aid. Does it strike the Senator as being curious that practically every Senator who is eager to support the position of the Senator from South Dakota has always opposed foreign aid; therefore, they must not think that the threat of communism is a serious one. They have usually opposed foreign aid.

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

Mr. FULBRIGHT. I yield.

Mr. MUNDT. I would be willing to make the Senator a little pre-Christmas wager; namely, that I have supported foreign aid three times more often than I have opposed it on rollcall votes.

Mr. FULBRIGHT. Does the Senator mean originally or after the amounts had been reduced by amendments?

Mr. MUNDT. Sometimes I have voted for real economy, which is a practice I heartily recommend to the Senator from Arkansas. But I have voted for foreign aid in the final action.

Mr. FULBRIGHT. It is one thing to vote for an amendment, and then to scuttle the bill on its final passage. But the Senator has cited a point for foreign aid. It is my impression that the Senator from Nebraska has opposed foreign aid.

Mr. HRUSKA. I have always opposed it.

Mr. FULBRIGHT. Therefore, the Senator has never accepted the argument that there is no real danger from the Communists.

Mr. HRUSKA. That is not the point. Every bill for foreign aid is not necessarily a good bill, any more than every bill for farm aid is necessarily a good farm bill.

The Senator from Oregon [Mr. MORSE] stood in the Chamber for 2 weeks in opposition to some parts of the foreign aid bill. He is not opposed to foreign aid, but he is against the way it is administered. He is opposed to the extravagance and mismanagement involved in it. What he seeks to do is to resolve it to the point where the program will be manageable and more selective, and where it will be really effective. That has been the position of the Senator from Nebraska, and it will continue to be his position.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HRUSKA. Mr. President, I ask for an additional 3 minutes.

Mr. MUNDT. Will the Senator from Rhode Island yield the Senator from Nebraska 3 minutes?

Mr. PASTORE. Will I yield him 3 minutes?

Mr. MUNDT. Yes.

Mr. PASTORE. Why does not the Senator from South Dakota yield from his time?

Mr. MUNDT. I would have to get time from the Senator from Rhode Island.

Mr. PASTORE. Very well; I yield 3 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, this situation was brought up to date because, in his message on April 2, President Kennedy said:

> History records that our military and economic assistance to nations on the frontiers of the Communist world * * * has enabled threatened peoples to stay free and indedendent when they otherwise would have either been overrun by aggressive Communist power or fallen victim of utter chaos, poverty, and despair.
>
> * * * * * *
>
> History will record that today our technical assistance and development loans are giving hope where hope was lacking, sparking action where life was static, and stimulating progress around the earth—simultaneously supporting the military security of the free world, helping to erect barriers against the growth of communism where those barriers count the most.

Then he brought into focus the battle and the threat of the present hour as it has been the battle and the threat for many years:

> Freedom—all freedom—is threatened by the subtle, varied, and unceasing Communist efforts at subversion in Latin America, Africa, the Middle East, and Asia. And the prospect for freedom is also endangered or eroded in countries which see no hope—no hope for a better life based on economic progress, education, social justice, and the development of stable institutions. These are the frontiers of freedom which our military and economic aid programs seek to advance; and in so doing they serve our deepest national interest.

The power and the thrust of these declarations lie in the fact that there is here and now the continued threat, activity, and menace of "subtle, varied, and unceasing Communist efforts."

Only yesterday, the Senator from Rhode Island [Mr. PASTORE] read a letter from President Johnson which again pointed up the immediacy and persistence of the threat of Communist penetration and subversion as reason for favorable action on the bill. It is this threat which for years has formed the basis for America's foreign aid program. It still does.

When the Senator from Rhode Island read the letter of President Johnson, he read:

> 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.

Mr. President, that is today, and has been for some years, the policy of the United States. It is held aloft, like a beacon of liberty, to the captive nations which have fallen under the curse of communism, to the neutral or uncommitted nations which are threatened by the Red onslaught, and to our allies in the free world who have joined us in this contest against communism.

Those efforts and that Communist dream and determination to dominate the world and hold it in bondage under its own system are now encountering difficulties. The Communist system just is not working, Mr. President. It is bogging down under the weight of its own false premises about human nature and conduct. Certainly in denying its citizens the incentives and the freedoms upon which true and enduring strength is based, it has encountered and generated internal struggles which are slowing down its program of "heavy handed pressures" and "expansionist thrust" and the "subtle, varied and unceasing" efforts to which President Kennedy's message referred.

The new action contemplated by the Export-Import Bank seeks to extend the helping hand of the institution which is endowed by the substance of the U.S. taxpayer to rescue, shore up, and restore the strength and power to the arch enemy of this Nation and of the entire free world.

We should not allow this to happen. We should bear in mind, not only those unceasing Communist efforts and the fact that much of our multibillion-dollar foreign aid program was made necessary by reason thereof—but also that it is the Soviet Union and its satellites which make it necessary for the United States to maintain a defense posture at a cost of over $1 billion per week for every week of the year for this year, past years, and perhaps even more in future years.

On the one hand this Republic expends on the order of $50 billions each year to be ready at all times to deal effectively with the military might of the Soviet Union; we spend additional millions each year in foreign aid to combat communism's unceasing efforts to expand into territories not yet under its domination. Now there are indications of a tender solicitude for the internal economic difficulties Russia and her satellites are suffering. We are asking the taxpayers of this Nation, not only to pay for national defense and mutual security but also to extend foreign aid of a kind to the nation which makes that military expenditure and mutual security among our allies imperative. We are being asked to expose our Government-chartered Export-Import Bank to financial risks which no other bank will undertake. We are being asked to help Russia overcome her own inadequacies, mismanagement, and faulty system thus enabling her to survive and gather strength with which she may continue her grand design to dominate the world.

We are engaged in a tremendous and expensive effort to prevent the subversion and aggression of the Soviets. It is senseless to give aid to the powers which are keeping under captivity the exploited nations of Eastern Europe and are seeking to expand their domain.

We should not help them put new and fresh resources into the struggle against us and against the rest of the free world.

Unless we retain in this bill the language of the Mundt amendment, we shall be cruelly deluding the American people. More bluntly, we shall be double-crossing them by spending their dollars to finance both sides of the cold war.

Mr. MUNDT. Mr. President, I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, my plea today would be that, if possible, we at least defer the guarantee of the proposed loans until a more definite, more inclusive trade policy could be developed. I do not believe that many Senators are satisfied with the situation which confronts us. In the bill before the Senate, it is proposed to appropriate more than $1 billion for foreign military aid, in addition to the $50 billion we have appropriated for our own military program. We have six divisions in Western Europe. We have approximately 16,000 military men in Vietnam. We have many men in the military forces in Korea, and others scattered all over the world. Why? To guarantee, or try to guarantee, against Communist aggression.

At the same time, under conditions in which Communist aggression is rendered less probable, at least, because of adverse economic conditions in Soviet Russia, we undertake, at the same time we appropriate money, to strike from the bill a provision which would prohibit the underwriting of a sale of wheat to Russia. In other words, on the one hand, we are appropriating money to try to stop aggression; at the same time, with the other hand, if we pass the bill as it is now written, we will be making aggression more probable. I cannot see how we can go up hill and down hill at the same time, which is in opposite directions at the same time. I do not believe there are many Members of this fine body who are convinced of the logic, soundness, and commonsense of the position that the proponent of the bill asks us to take. The House amendment prohibiting the underwriting of the loan to Russia should stay in the bill.

I say it does not make sense to do otherwise.

I believe that the best point yet made is that we should not close the door on the possibilities of trade—and, of course, my part of the country is also interested in trade—but that at least, until some consideration is given by our allies and until there is a worldwide review of this problem and the possibilities in connection with it, we should not proceed through the back door to establish a precedent which will not be an overall policy, but will plague us in the future and will defeat the entire purpose of the foreign aid military program and the rest of the foreign aid program.

I thank the Senator for yielding this time to me.

Mr. MUNDT. Mr. President, I thank the Senator from Mississippi. I wish more Senators had been present to hear his remarks. I labor under the uneasy feeling that more of our colleagues listen to telephone calls from the other end of the avenue, rather than to some of their colleagues.

Mr. HUMPHREY. Mr. President, on this point will the Senator from South Dakota yield 30 seconds to me?

Mr. MUNDT. I yield.

Mr. HUMPHREY. I assure the Senator from South Dakota that no such telephone calls have been made, or need to be made, because the President of the United States trusts the good judgment of the Senate.

Mr. MUNDT. That is fine; and I hope that trust in our good judgment will be vindicated.

Mr. HUMPHREY. It will be.

Mr. MUNDT. If so, we shall show him that we favor a sensible foreign policy, instead of one which would be self-defeating.

Mr. MILLER. Mr. President, will the Senator from South Dakota yield briefly to me?

Mr. MUNDT. I yield.

Mr. MILLER. I point out that all will not be lost if this amendment fails. Some would seem to take the position that if the amendment fails, there will be no possibility of making such sales to the Soviet Union. However, I suggest that in that event the sales could be made for cash.

Recently it was reported in the newspapers that a spokesman for the Soviet trade delegation said that defeat of this measure would mean nothing particularly to them, and stated that they prefer to buy for gold, anyway, and do not wish to pay interest to American bankers.

So let us not be so naive as to believe that if the proposed credit is not made available, the Soviets will not be willing to buy the wheat for gold.

Some have asked how good the credit of the Soviets is. The answer is that it is just as good as they want it to be. If they do not want it to be any good, it will not be worth a tinker's dam.

I suggest that the experience of the United Nations is a clear demonstration of the fact that the credit of the Soviet Union is worthless. The Soviet Union is the biggest "deadbeat" in all the world, today. It owes the United Nations more than one-half of the $104 million in delinquencies before the U.N. If the Soviet Union would practice fiscal integrity in dealing with the United Nations, I might be a little more impressed by the statements about how good the credit of the Soviet Union is. But until then, I shall not be impressed by arguments to the effect that the Soviet Union has a good credit standing.

Mr. President, I ask unanimous consent that appropriately designated portions of an article from the Evening Star of Saturday, November 30, be printed in the RECORD.

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

DEADLOCK SEEN ON U.S. WHEAT SALE TO RUSSIA

Negotiations for the sale of $250 million worth of wheat to the Soviets appear to be deadlocked.

State Department officials said yesterday they knew of no indication that talks have broken off between the Soviets and American grain dealers, but Sergei A. Borisov, head of the Soviet governmental wheat group, left the United States last Wednesday without giving any sign when he would return.

* * * * *

Senate defeat earlier this week of a bill by Senator MUNDT, Republican, of South Dakota, to prohibit the Export-Import Bank from guaranteeing commercial credit to finance the wheat deal left the Soviets unimpressed, diplomatic informants declared. They said Moscow was prepared to pay for the wheat in gold or hard currency anyway.

Mr. JAVITS. Mr. President, will the Senator from Arkansas yield briefly to me?

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

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, this question has been debated before.

I am opposed to the position taken by the distinguished Senator from South Dakota [Mr. MUNDT]. I am opposed to it for the fundamental reason—which I think should be repeated again and again—that if we were to do what the Senator from South Dakota proposes, we would be confusing the position of the United States in the eyes of the rest of the world. In other words, we would be indicating that after a national position has been taken by our country, the President and the Congress would be pulling in opposite directions.

We have indicated that we have made a policy decision for a one-shot wheat deal. After doing that, if we now forbid the Export-Import Bank to participate in it, we shall present to the rest of the world a most confusing picture.

Instead, once we have made the policy decision in regard to making this trade arrangement, we should permit the necessary things to be done, including the

issuance of export licenses. Certainly no grain dealer or bank in the United States would back this deal if the U.S. Government were not behind it. So how ridiculous it would be to take the position, at this time, "But we will not permit the operations of the Export-Import Bank to be used."

Mr. President, it is clear that if this policy decision is to be implemented and made effective, the credit of the United States must be used; and the credit of the United States is just as much a resource of the people of the United States as any other resource they have. So it is obvious that this transaction must be handled in the same way any ordinary business transaction is handled.

Therefore, I cannot favor a proposal to make our Government appear ridiculous in the eyes of the rest of the world—by insisting that our Government say, "Yes, we will participate in this transaction, but we will not permit the Export-Import Bank to have any connection with it."

Instead of that, our Government should demonstrate to the rest of the world that the United States is a great power. Therefore, if this transaction is to be engaged in, all necessary transactions in that connection should be authorized and permitted. That will not mean that we shall be saying we favor the Soviet Union. However, once we have decided to make this deal, we should proceed in connection with it in a way in conformity with the procedure of a dignified and important nation which has reached this national policy decision and conclusion.

Therefore, I hope the Senate will approve what the committee has done.

I thank the Senator from Arkansas for yielding to me.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield briefly to me?

Mr. FULBRIGHT. Mr. President, I yield up to 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. SALTONSTALL. Mr. President, I wish to emphasize the point the Senator from New York has made.

I believe two considerations are involved in connection with the so-called Mundt amendment.

The first is the question of policy—whether we wish to help get rid of our surplus wheat and help stimulate wheat sales, so that the amount of wheat held by the Commodity Credit Corporation can be reduced, and so that the production of wheat can return to a more commercial basis, without subsidies.

We know that Canada and Australia are selling wheat to Russia. Therefore, the question before the Senate is whether the United States will participate in these sales or will be willing to have them confined to other countries.

As a representative of a consumer State, I wish to see this transaction carried out properly. From the banking point of view, it is clear that the Export-Import Bank must participate in the transaction.

Mr. Linder, the Chairman and President of the Export-Import Bank, informed the committee that he checked with a number of large banks of the country, and found that no bank would take this credit risk without having the guarantee of the Export-Import Bank behind it.

Then we considered how the Export-Import Bank handled its transactions. In that connection, I refer now to page 12 of the committee hearings. I understand there are two types of credit which are guaranteed by the Export-Import Bank. The first is the so-called insurance arrangement; and in that connection the Export-Import Bank has organized the Foreign Credit Insurance Association, comprising 75 of the most important insurance companies in the country, other than life insurance companies. That organization will take certain risks; and the Export-Import Bank underwrites all the policy risks. These insurance companies will take 50 percent of the credit risk, and the Export-Import Bank will take 100 percent of the political risk, which, as Mr. Linder pointed out, comprises war, insurrection, civil disturbances, and inconvertibility.

The other procedure of the banks is the underwriting of the loans. That is the commercial transaction which is referred to in the present instance, and which the Senator from New York [Mr. JAVITS] has discussed.

As I understand, there would be allowed 18-month credit, with 25 percent down, and the balance to be paid in 18 months at 5 percent interest. The Export-Import Bank would receive its cut out of the five-eighths of 1 percent of the last 5 percent. In that way the Export-Import Bank would make a certain amount of money and take that risk, if there is a risk in the granting of 18-months' credit with 25 percent down. We were told that in commercial transactions the Soviets and the Communist countries had been excellent in their payments. That statement does not include the Second World War loans and other loans of that character, but it does include the commercial transactions, of which the one about which we are speaking would be one.

The Export-Import Bank, through Mr. Linder, its President, has told us that the losses of the Bank have been infinitesimal, or using his word, "minimal," over its history. On guarantees of insurance risks they have lost only between $1 million and $8 million over all their history. In the guarantees I believe they have lost even less than that. So from the point of the Export-Import Bank, the Bank that is financed by our taxpayers, the risk in the transaction would be infinitesimal. From the point of view of policy, in getting rid of our surplus wheat, knowing that other countries are doing the same thing, we would make it possible for us to carry forward with the same sort of loans and the same sort of sales that other countries are making.

As a question of policy, it seems to me that the proposed course is the wise one to take. From the point of view of the Government, through the Export-Import Bank, the risk would be very small, while the policy of getting rid of our surplus wheat is worthwhile. For that reason I shall support the chairman of the subcommittee, the senior Senator from Rhode Island [Mr. PASTORE], in his endeavor to eliminate the language that was sent to the Senate by the House and deleted by the committee.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I ask unanimous consent that the Chair recognize the Senator from Ohio [Mr. LAUSCHE] for a formal function, and that the time necessary for its performance be not charged to either side.

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

VISIT TO THE SENATE BY MEMBERS OF THE CABINET OF THE GOVERNMENT OF KENYA

Mr. LAUSCHE. Mr. President, today there are present in the Senate Chamber four distinguished members of the cabinet of the Government of Kenya. As Senators know, Kenya achieved its independence from Britain a week ago today and, earlier this week, became the 113th member of the United Nations.

Kenya, a dynamic new nation, is the 34th nation to emerge in Africa. Our guests are with us while on a visit to the United States. We are glad to have them here. I am sure that they will find a will on the part of the people of our country to see this new independent nation live, thrive, and grow among the family of nations of the world.

It is now my distinct pleasure to present to the Senate the Honorable Oginga Odinga, Minister of Home Affairs; the Honorable Joseph Murumbi, Minister of State at the Prime Minister's Office; the Honorable Charles Njonjo, Attorney General; and the Honorable Njoroge Mungai, Minister of Health and Housing.

The gentlemen are members of the Cabinet of Kenya; they are present in the Chamber.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The Chair welcomes our distinguished visitors to the Senate, and hopes that their visit will prove interesting and rewarding.

[Applause, Senators rising.]

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair, in order to provide Senators an opportunity to greet our distinguished visitors, and that the time necessary for the recess be not charged to either side of the debate on the pending business.

There being no objection, at 5 o'clock and 15 minutes p.m., the Senate took a recess subject to the call of the Chair.

At 5 o'clock and 18 minutes p.m. the Senate reassembled on being called to order by the Presiding Officer (Mr. INOUYE in the chair.)

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. FULBRIGHT. Mr. President, I yield myself 5 minutes.

It is very difficult to find anything new to say about the issue, since it has been argued at great length on two occasions, and has been the subject of an exhaustive study by the Committee on Banking and Currency. The Senate voted on the question once. As we know, the vote was 57 to 35 against the inclusion of the provision in the bill.

I do not know that there is anything new to be said on the subject. I can only say that I believe it is a good business deal. The Russians have a commodity that we need. We have a commodity that they need. That is the basic consideration. The transaction would result in benefits to our railroads that would haul the wheat and our ships that would transport it, and would give employment in many different parts of our economy.

The argument has been made that the Russians have been in default. For one reason or another, many countries have been in default on various war debts of one kind or another. The other day I mentioned that the French, who were our good and strong allies, are in default to the extent of about $4 billion on their First World War debt. Those are utterly irrelevant considerations to the question at hand.

One point that has not been emphasized that I believe we might at least consider is that there are great political implications involved in the measure. First, the President of the United States under our constitutional system is given the primary responsibility for the conduct of our foreign policy. Both President Kennedy and President Johnson have urged the Senate not to adopt the so-called Mundt amendment as it was first presented, that is, to delete the amendment that was inserted in the bill by the House.

That is the first consideration. The Secretary of State, as an agent of the President, is very strongly of this view.

It seems to me that a basic assumption on the part of those who are so strongly opposed to the utilization of the Export-Import Bank is that the cold war as it has existed during the past 15 or 16 years is an unalterable relationship and that it should continue. Sometimes I am almost disposed to believe they would be disappointed if it did not continue.

Really, there are political possibilities of opening up some trade wtih the Communist bloc. I cannot guarantee that this would result in any relaxation of the cold war or in any improvement in our political relations. Nevertheless, there have been changes already within the Communist bloc, not only with respect to Russia. In fact, the changes perhaps have been less with respect to Russia, although I believe the test ban treaty was a significant step forward.

The satellite countries or affiliated countries have also been involved, such as Poland, and Yugoslavia, which is a Communist country but not a member of Comecon nor a satellite country.

I believe that the possibility of change for the better in our relations with the Soviet Union and other Communist countries is the overriding consideration. I do not look solely at the dollars, as someone who supports the position of the Senator from South Dakota might. I believe that is an important consideration. I believe it is probably less important than the political potential of resuming some degree of trade with these countries. When I say "countries" I refer to all the Eastern European countries as well as the Soviet Union.

I believe this has already been stated forcefully by the Senator from Rhode Island. The fact that Russia must come to this country or to any other country and ask for wheat—it has already gone to Canada and concluded an agreement—is in itself one of the most significant developments of the past 15 years, demonstrating clearly the inadequacy of their system, especially as applied to agriculture. I cannot believe this will be lost upon the people of the Communist world or the people of the free world.

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

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. I thank the distinguished chairman of the Committee on Foreign Relations for yielding.

Is it not a fact that the terms which are being suggested, through the Export-Import Bank, are the commercial terms ordinarily and customarily used in the grain trade on a worldwide basis?

Mr. FULBRIGHT. The Senator is correct. Also, the other countries which have been selling to the Soviet Union have utilized a similar method of insurance by a Government agency.

Mr. MONRONEY. This is a universal practice. If one wishes to enter into world trade one must abide by world trade rules and sell at world trade prices and on world trade terms.

There is a point I should like to make, which I believe needs to be emphasized. If we sell to all the other countries of the world, and take from many of them local currency which has no convertible value, and extend to many others credit when credit is known to be weak, if we should demand cash for one deal in trading with a world power, although we may violently disagree with its political system, would we not be discriminating—at least, would they not feel we were discriminating—against them by demanding terms and conditions of sale we do not demand from any other country?

Mr. FULBRIGHT. The Senator is correct. Such a country would be insulted if it were offered terms different from those offered other countries.

In the case of Poland, which is a Communist country, a member of Comecon, we have been selling wheat under Public Law 480, which is, in effect and for all practical purposes, a grant.

Mr. MONRONEY. For nonconvertible currency.

Mr. FULBRIGHT. For nonconvertible local currency.

Mr. MONRONEY. That is correct.

Mr. FULBRIGHT. There was no great outcry about that. There is no good reason why this particular aspect of the trade, that is, the insurance, should be rejected.

Even though the insurance is provided, because there has been a demand for certain additional concessions with respect to shipping, which entails a higher price, that in itself may prevent the deal from going through. There is no assurance that the wheat will be sold, even though the Export-Import Bank is given the right suggested.

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

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. Is it not a fact that, if the Export-Import Bank guarantees the money which will be furnished by the American banks, this money will then in turn go into the Commodity Credit Corporation for the wheat?

Mr. FULBRIGHT. That is correct.

Mr. MONRONEY. We would be guaranteeing the funds which we would be receiving for the wheat sale and in the process removing the wheat from storage, reducing thereby an expense that might go on for the next 10 years if we do not find some market for the wheat.

Mr. FULBRIGHT. The Senator is quite correct.

I heard on the radio the other day, and saw on television, some interviews of some farmers from the State of Oklahoma. Everyone who was asked about this wheat deal said he was in favor of it.

Mr. MONRONEY. We are realistic in regard to trade.

Mr. FULBRIGHT. I believe the Senator is correct. There is no question about that.

There is a good reason why a Government organization should be brought into these large international transactions, because if any difficulty should arise the Government would be in a better position, through its diplomatic representatives, to make whatever representations were necessary.

We are not the only country doing this. As has been said, all other major trading nations utilize this device.

Mr. MONRONEY. Remarks have been made, as this question has been discussed in the past, to the effect that wheat is a strategic item. I should like to ask the distinguished chairman of the Committee on Foreign Relations if he has any doubt in his mind, whether the Russians buy the wheat from us or do not buy the wheat from us, about the army of Russia being fed. The civilians may go hungry, but the army will have whatever wheat it needs, at whatever cost to the civilian population of Russia.

Mr. FULBRIGHT. I have no doubt about that at all. I believe even the difficulty with the Russian people will be of a temporary nature. They will have less than they would like to have, but it will not be too serious.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FULBRIGHT. Will the Senator yield me 3 more minutes?

Mr. PASTORE. I yield 3 more minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 3 additional minutes.

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

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. The observation should be made that the language does not apply solely to grain.

Mr. FULBRIGHT. The Senator is correct.

Mr. HUMPHREY. It applies to all products.

Mr. FULBRIGHT. That is correct.

Mr. HUMPHREY. We ought to make it crystal clear that we are not talking solely about wheat deals.

Secondly, today we heard the Senator from Missouri [Mr. SYMINGTON] discuss the dangers facing this Nation because of the loss of gold, the deficit in the balance of payments.

I wonder if my colleague realizes that one of the reasons why there has been a flight of capital from the United States—and there has been some—is that American business firms and American merchant enterprises have established offices, factories and warehouses in Europe in order to do business with Eastern European countries.

Mr. FULBRIGHT. Yes.

Mr. HUMPHREY. Thereby getting the guarantees of the British, French, Germans, and Dutch upon their sales.

On the one hand we hear impatient speeches about our balance-of-payments situation, while on the other hand an amendment is offered to us which would further drive out of this country the capital needed to establish plants, in order to do business in the Eastern part of Europe.

I point out also to the Senator that we are not talking about only Russia. The Senator made this point, as other Senators have. We are talking about a trade policy which may affect the whole area of the world.

Mr. FULBRIGHT. That is correct.

Mr. HUMPHREY. Each one of these Eastern European states is a separate nation. As has been indicated to us time and time again in recent months, those nations are beginnning to show more independence. They are beginning to show a desire to pull away somewhat from the Russians. It seems to me we ought to have a foreign policy which expresses that particular situation.

Mr. FULBRIGHT. The Senator is correct.

Mr. FULBRIGHT. Mr. President, the cold war is a major fact of life in the age in which we live. We do have to deal with the clashing interests of the Soviet Union and of the United States. We will do so far more effectively if we deal with these clashing interests in terms of our own national interest, which is the security of the United States and the free world, and not in terms of a struggle to the death between crusading ideologies.

The logic of the bill proposed by the Senator from South Dakota is that sooner or later either our type of society or the Soviet Union's type of society must be destroyed—either through warfare, subversion, or internal collapse. This logic allows no room for the possibility of change through a long process of evolution. Yet it is precisely this posibility which I see as the hope, perhaps the only hope, of avoiding the irreparable catastrophe of thermonuclear war.

There have been evolutionary changes in the Soviet Union in recent years. We are uncertain as to their exact extent and significance, but we know that they have occurred and that they continue. Changes are also occurring in the Soviet satellites in Eastern Europe, and we are all familiar with the ideological split between the Soviet Union and Communist China. It seems to me clearly in the interests of the United States to encourage these changes. We need to be pragmatic rather than dogmatic. From our point of view, Khrushchev is a lesser evil than Stalin; Tito is less objectionable than Mao Tse-tung.

If we adopt the policy embodied in the bill, we will be moving against the trend in every other important free world country. Our NATO allies are conducting a growing trade in peaceful goods with the Soviet bloc. This is not necessarily a reason for us to do likewise, but it is entitled to considerable weight. Trade between Europe and the Soviet bloc has tripled over the past decade. It is clear that our virtual embargo on nonstrategic trade with Communist countries has become self-defeating. It does not deny the Communist countries the goods which they wish to buy, but only assures that they will buy them from sources other than the United States. Our insistence on an unrealistic boycott has made it impossible for us to coordinate the trade policies of the Western nations and has thus enabled the Soviet Union to use bilateral trade as a political weapon to divide the free nations and advance its own ambitions.

The issue involved in this bill is whether we are to regard the Soviet Union as an implacable enemy for all time and for all purposes, or whether we are to regard it as a powerful and dangerous antagonist whom we can and should influence in various ways with a view toward inducing it to abandon its aggressive designs. If our objective is the former, that is, a policy of permanent and relentless hostility, then the bill offered by the Senator from South Dakota is appropriate. If, on the other hand, our objective is to try through patient and persistent effort to create a safer and more peaceful world, then it is incumbent upon us to seek practical means of reducing the areas of conflict between the United States and the Soviet Union. Trade is one of many ways in which we can reduce animosities and inject an element of normalcy in our relations with the Communist nations. The proposal before the Senate would preclude the possibility of any substantial trade.

One of the most significant aspects of this entire situation is that the Russians, after nearly half a century of tinkering with agriculture, are now forced to admit that their system has failed. What more dramatic testimonial to failure of their system could we want than to have them come to us to buy a basic consumer commodity like wheat. I do not think that this admission has escaped the attention of many citizens of Russia and Eastern European countries. When an item as basic as bread is involved, the significance of the current negotiations with the Soviet traders cannot be ignored by the nations on the sidelines.

On the other hand, if we pass this bill and the deal falls through—as it likely will—we will have handed the Russians a tailormade propaganda weapon. From the founding of the Nation we have been world traders. The term "Yankee Trader" is known throughout the world. To lay down conditions which bring about the rejection of a deal as advantageous to us as this can only furnish proof to the Russian people that we are not really willing to engage in peaceful competition and let economics determine which system is the superior one. At the same time we will lend great weight to the Russian argument that the satellites must maintain strong, unbending ties to the Soviet Union and that the West has no concern for their problems. It will be difficult to refute such an argument if the Congress makes it impossible for the wheat deal to be concluded.

Above all, I urge Senators to remember that the Export-Import Bank's sole reason for existence is to promote our foreign trade. Its purpose is not to aid foreign concerns or governments but American exporters—and the American economy. When the Bank agreed to guarantee short-term credits for purchase of this wheat it was assisting our wheat farmers and wheat exporters—not the Russian Government. All the Bank plans to do is provide nothing more than the same assistance available in the normal course of our export trade.

The proposed wheat deal is another step toward normalizing United States-Russian relations and is an appropriate development to follow the test ban treaty. Adoption of this proposal, which will almost assuredly result in canceling the wheat sale, will be a step backward from ratification of that treaty. I hope that the Senate has not had such a change of heart in only 2 months' time.

The PRESIDING OFFICER. Who yields time?

Mr. MUNDT. Mr. President, I yield myself 2 minutes.

I congratulate the Senator from Minnesota for the fact that, with his customary candor and consistency, he stands as the first speaker on that side of the argument who has made it clear, as I have tried to make it clear time and time again, that this is not a wheat amendment. It is not a wheat provision in any way, shape, or form. It deals with every exportable product. It is a question of foreign trade policy. One could just as well call it a "booze" amendment, or a "fertilizer" amendment, or an "alcohol" amendment, or a "machine tool" amendment. It covers all products. I do not know what one must do to make that point clear and to have it reported accurately around the country.

Mr. President, I ask unanimous consent to place in the RECORD again the exact language of the proposal adopted by the House, so that all editors may read it.

The PRESIDING OFFICER. Is there objection?

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

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.

Amendment to restrict American public credit to Communist countries as adopted by the House of Representatives—it is the language contained in the so-called Mundt bill.

Mr. MUNDT. We cannot get that fact reported by the columnists, Mr. President and by many Capitol Hill reporters. They talk about a "wheat amendment." In the spirit of Christmas, I offer my friends in the press gallery, which is well filled at this hour, a beautiful Black Hills spruce Christmas tree, with candles studded with solid gold nuggets from the gold mines of South Dakota—the world's best—if they can find the word "wheat" in the amendment or in S. 2310, the so-called Mundt bill. If they cannot, let them not call it a "wheat amendment." Call it a "booze" amendment. Call it a "Red trade" amendment. Call it——

Mr. HUMPHREY. Or a "spruce" amendment.

Mr. MUNDT. They may call it anything they want to give it an accurate rather than a distorted definition. I stand ready to deliver a Christmas tree with gold studded candles on it if anyone can find the word "wheat" in this proposal. If it is not there, why not label it correctly, instead of involving the wheat farmers? This is not a matter of farmers and wheat sales, it is a matter of foreign policy.

Mr. President, I yield 7 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, it is now suggested that we change the policy that has been in existence for about 15 years. I assume that, if there were a change in international relations, and especially with Red Russia, we might be justified in changing our policy. I cannot dismiss from my mind that in the 1940's those men who were in charge of our Government and the Congress when they declared that we shall not sell to Communist countries our merchandise and our grains and other commodities at subsidized prices, knew what they were doing.

As I stated a moment ago, we contemplate changing a policy. The change would be justified only if there had been a genuine change in the attitude of Red Russia. I respectfully submit that no such change has occurred.

Mr. George Kennan has been in our Foreign Service. He is constantly being quoted as the authority of what our course should be in our international relations. Some time ago he made a statement. He wanted to describe the thinking of Russia, so he devised this statement, putting it into the mind of and upon the tongue of a Communist Russian. This is what he said, speaking as a Russian would speak:

We despise you—

That is, despise the United States—

We consider that you should be swept from the earth as governments, and physically destroyed as individuals. We reserve the right in our private, if not in our official, capacities to do what we can to bring this about; to revile you publicly, to do everything within our power to detach your own people from their loyalty to you and their confidence in you, to subvert your Armed Forces and to work for your downfall in favor of the Communist dictatorship. But since we are not strong enough to destroy you today, since an interval must unfortunately elapse before we can give you the coup de grace * * * we want you during this interval to trade with us. An outrageous demand? Perhaps. But you will accept it, nevertheless. You will accept it because you are not free agents; because you are slaves to your own capitalist appetites, because when profit is involved, you have no pride, no principles, no honor. In the blindness that characterizes declining and perishing classes, you will compete with one another for our favor.

Those words are true. They are true when applied to the Senate today. The gold has been dangled before our eyes. We are moved by it. We are going to change our policy.

Let us now take a look at what the situation was when the Russians originally proposed to make the purchase. The statement was made, "We will pay in gold or cash." When that statement was published throughout the land, it was generally accepted as sound. But then came the change, and they said, "We will not pay you in gold or cash. We want to buy on credit, and we want the taxpayers of the United States to guarantee that we will pay the bill."

That is quite a substantial change from the original proposal, and what we contemplated doing.

But if Kennan went too far, may I quote for the moment Khrushchev? Khrushchev said not long ago:

When the gold of the Russian and of the Communist nations is dangled before the eyes of the capitalist United States, they will abandon all principle.

I wonder if, back in Moscow, Khrushchev is not, in solitude, listening to and watching what we are doing. Is he ready to speak out and say, "The prognostication which I made turns out to be true?"

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUSCHE. May I have 3 more minutes?

Mr. MUNDT. Mr. President, may I inquire as to the status of the time?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUNDT. May I inquire about the status of the time?

The PRESIDING OFFICER. The Senator from South Dakota has no time.

Mr. MUNDT. I yield the Senator from Ohio 3 minutes on the bill.

Mr. LAUSCHE. Mr. President, we have friends throughout the world, and we have enemies who are seeking to destroy us.

I wonder what impact this will have on our friends. Will they have awakened in their minds a doubt about the need to be loyal to the cause of the free people of the world, or will they say to themselves, "What difference does it make if we stand shoulder to shoulder with the United States or if we threaten to destroy them?"

If they ask that question, the answer will have to be: "It makes no difference; they will help us even though we oppose them."

I do not want to become a party to that type of debased and mean moral approach to my responsibilities as a citizen of the United States.

We have a gold problem, but it is rather strange that only at this late date have we begun to discuss it on the floor of the Senate. It has been with us for 5 years. Now, instead of trying to solve it in an honorable way, we are about to adopt the abject policy of grabbing for gold, and in that way confirming the declarations of Kennan and of Khrushchev and other Communists in the world. I cannot vote to support that type of conduct.

Mr. MUNDT. I yield 2 minutes on the bill to the Senator from Florida.

Mr. HOLLAND. The Senator from Ohio has spoken feelingly about the attitude of our friends toward us for doing this. I wonder whether the Senator knows how our friends will square this course—assuming that we take the suggested course—with our course in forbidding the importation of food into Cuba, a short distance from our own country, and in stopping any ships of friendly nations that take food to Cuba from coming to our ports. I wonder how the Senator thinks they will square that part of our foreign policy with this proposed part of it.

Mr. LAUSCHE. I am glad the Senator asked that question. I ask Senators, "If you sell to Russia, why not sell to Cuba? What morality justifies a sale to Red Russia and not to China and not to Cuba?"

I assume that as Senators we possess some sense of the rational. We cannot differentiate between the propositions. If today we sell to Red Russia, when more gold is needed, are we going to sell to Cuba, and are we going to sell to Red China?

I believe the question answers itself.

Mr. MUNDT. I yield 2 minutes on the bill to the Senator from Oregon.

Mr. MORSE. Mr. President, it will take me only 2 minutes to state my reasons for supporting the Mundt proposal. I do not care how we slice this subsidy melon, the taste is the same, and all the language that has been used cannot conceal the fact that we are dealing with a subsidy that is not in the public interest. We are dealing with a subsidy of American taxpayers' money which belongs to them, and that money is in the Export-Import Bank.

When we are through shaking this proposal down, that is what we have.

A group of grain brokers and dealers own the wheat, and they want to sell it to Russia. They have made certain arrangements with banks to be of some help to them in order to sell the grain to Russia. They cannot consummate the

deal unless they can get a taxpayer subsidy through the Export-Import Bank. The Export-Import Bank is going to pick up the check in case Russia does not pay.

I believe this to be bad public policy. This is not contrary to the statement of the Senator from New York [Mr. JAVITS], about an ordinary commercial transaction. Are we to establish a dangerous precedent of using American taxpayer money in the Export-Import Bank to subsidize private interests which will sell the grain to Russia, and if Russia does not make good have the American taxpayer pick up the check through the Export-Import Bank? That is what it all shakes down to. That is not good public policy.

The American grain dealers and American banks are not entitled to that kind of subsidy. If we want to make this a direct transaction, why is it not proposed that the American Government deal directly with Russia and itself sell the grain directly to Russia? Of course that would not let some people make a shakedown profit without the risk of a loss.

We should support the Mundt proposal, and prevent this kind of precedent from being established.

I do not trust Russia. We have no way of knowing that she is not going to find various reasons for claiming she does not have to pay. How do we know she will not claim that the grain is dirty or wormy, or that the quality is not up to standard, and therefore will not pay?

If that happens, we shall have a long battle. In the meantime our taxpayers will be taken for another ride under the foreign aid program. In my judgment, they are already being cheated out of hundreds of millions of dollars. I do not think we ought to add to their loss.

Mr. PASTORE. I yield 4 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I shall deal hardly at all with the merits of the Mundt proposal, because in my opinion the Senator from Rhode Island and the Senator from Arkansas have so completely and utterly demolished the arguments of the proponents that to add to their arguments would be mere redundancy.

It is difficult for me, in trying to be openminded, to understand how intelligent, mature men can support this kind of proposal. In my judgment not one valid argument in support of the Mundt proposal has been advanced in the Senate in the two long sessions during which it has been under discussion.

I turn to another point. There are those who believe it is popular in this country to shake one's fist at Russia and to raise a so-called moral issue and to beat his breast and wrap the American flag around him and say, "We are departing from American traditions and morals if we permit the wheat to be sold to Russia."

That is not true. Here is incontrovertible evidence. I ask unanimous consent that an article entitled "The Wheat Sale and the Public," written by Elmo Roper, the well-known polling expert, be printed at this point in my remarks.

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

THE WHEAT SALE AND THE PUBLIC

(By Elmo Roper)

Seldom has the path to peaceful coexistence been paved with rubles. Rarely has the United States been offered, all at once, the chance to advance the cold war thaw, feed the hungry, get rid of a burdensome surplus, improve its balance of international payments, and make a profit besides. This is the opportunity implicit in the President's recent decision to permit the sale of American surplus wheat to Russia. It is generally agreed that the consummation of the wheat deal would benefit U.S. farmers, grain traders, and shippers, as well as reduce this country's embarrassment of surplus wheat riches to something close to a normal reserve. If the Russians pay in gold, and even if they don't, the impact on the U.S. balance of payments is bound to be beneficial. And if it has any political impact at all, it must inevitably be in the direction of reducing United States-Soviet tensions. Yet the wheat sale has been called highly controversial and a political liability. Is it?

To find out, Saturday Review commissioned Elmo Roper and Associates to do a succinct, to-the-point survey of a cross-section of Americans just 10 days after the sale was authorized. Had Americans heard about the wheat deal? Did they approve or disapprove of it? The answers to the first question show a remarkably high degree of awareness of the wheat-to-Russia decision, as compared with other issues on which the public has been polled in the past. This was the question:

"Have you read or heard about President Kennedy's decision to permit the sale of surplus American wheat to Russia? Yes, 85 percent; no, 15 percent.

More men than women (91 percent) * * * had heard about the President's decision. Not surprisingly, awareness was highest in the Middle West:

Awareness of the President's decision in major regions

	Percent
Middle West	92
Far West	89
Northeast	88
South	75

Those who had not heard about the wheat decision were then told about it, and everyone was then asked:

"How do you feel about this—do you approve or disapprove of President Kennedy's decision to sell surplus wheat to Russia?"

	Percent
Approve	47
Disapprove	27
Don't know	26

The weight of decided opinion, then, clearly shows the most people think the President did the right thing. This is true in all areas of the country, although the vote was rather close in the South:

Attitudes toward the President's decision in major regions

	Percent
NORTHEAST	
Approve	55
Disapprove	20
Don't know	25
MIDWEST	
Approve	48
Disapprove	27
Don't know	25
FAR WEST	
Approve	48
Disapprove	29
Don't know	23
SOUTH	
Approve	38
Disapprove	32
Don't know	30

In view of the way the wheat deal is stacked, it is not surprising to find this much approval for it. Any number of motives—or combination of motives—might have pushed people toward approval. Humanitarians would not want to deny food to the hungry; worriers about American food surpluses would be glad to see a burden removed; fiscal conservatives, among others, would heave a sigh of relief about incoming payments from abroad; those in fields directly benefiting would be glad to see business turned their way; and, last but hardly least, those hopeful of world peace and tranquillity would be happy to see the harsh accents of military threats replaced with the gentler language of commerce.

It is the opposition—and, even more, the indecision—that warrants comment. Perhaps, for some, the whole thing simply came too fast, and they hadn't had time to think out the issues involved in this new form of economic coexistence. But if there are so many reasons for approving of the wheat sale, it is hard to discover more than two major reasons for withholding that approval. The first, that the sale benefits the Russian economy and thus strengthens the Soviet Government, can be disposed of easily. For the simple fact is that if we had turned the Russians down, they would have gone elsewhere for the wheat. The effect on the Russian political and economic structure would be the same, whether the wheat came from the United States or from other sources. However sincerely held, this view is simply mistaken. The other reason can only be a deep, firmly held conviction that it is evil to sell to the enemy. Although no actual evil effects could be proved, and although, as in all trading situations, we would gain as much as the other side, there are undoubtedly many people to whom the idea of trading with the Russians is morally repulsive—or at least disturbing enough to suspend their judgment between pro and con.

The belief that selling to the Russians is inherently wrong is closely akin to the belief that trying to get along with the Russians is inherently wrong, and that efforts to reduce world tensions are evidence of weak-willed liberalism if not national betrayal. This is primitive moral thinking suitable to a black-and-white world. But the real world is inescapably gray; we have to get along with our enemies—or destroy them. Exploring the path to peaceful coexistence requires not selling out or giving in, but a patient search for ways to reduce the areas of tension and hostility and enlarge the areas of agreement and accommodation between East and West. The alternative is an ultimate military confrontation in which the loser would inevitably be the human race.

Mr. CLARK. Mr. President, the article shows incontrovertibly that, with the exception of the South, practically 90 percent of the American people were aware of President Kennedy's decision to permit the wheat to be sold to Russia. In the South, 75 percent of the people were aware of it.

Forty-seven percent of all the people approved it; 27 percent disapproved it; and 26 percent stated they did not know.

The attitude of approval is in the plurality in all areas of the country, including the South.

I also ask unanimous consent that the Harris survey, printed in the Philadelphia Inquirer of Monday, December 16, may be printed in the RECORD at this point in my remarks.

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

THE HARRIS SURVEY
(By Louis Harris)

In negotiating with the Russians, President Johnson will be limited by American public opinion as well as by considerations of national security.

In a survey of a carefully selected cross section of this country, the people indicate in sharp and unmistakable terms just what the limits of public opinion are as to U.S. dealings with the Russians.

The American public favors widespread cultural exchanges with the Russians, is willing to sell food and consumer goods, is clearly opposed to joint scientific projects and overwhelmingly rejects any deals which would remotely enhance Soviet military capabilities.

First, people were asked how they felt about the exchange of musicians and artists and also about exchanging students:

Cultural exchange with Russia

	Nation total (percent)
Exchange of artists and musicians:	
Favor	71
Oppose	21
Not sure	8
Exchange of students:	
Favor	69
Oppose	24
Not sure	7

Such cultural exchanges, of course, have been going on for some time. Van Cliburn, the American pianist, grew to world fame by winning a music contest in Russia, while the Bolshoi Ballet has been a huge success in performances in this country. It is apparent that the American people would like to see a wider exchange of cultural missions and students of many kinds.

Next, the cross section was asked about selling wheat and other food to Russia and also about selling U.S. automobiles to the Soviets:

Food and autos

	Nation total (percent)
Selling wheat and other food:	
Favor	54
Oppose	36
Not sure	10
Selling U.S. autos:	
Favor	51
Oppose	39
Not sure	10

A proposed deal on wheat, of course, was being negotiated with Russia before President Kennedy's death. It is evident the American people favored this idea and also would be willing to extend the sale to a broad range of food products—although not in such overwhelming numbers as on the cultural question.

To some degree Americans are motivated by a humanitarian desire to see other peoples fed, regardless of their politics. But there is also a strong strain of practical business advantages to the United States in these answers. This is especially true in the case of selling American automobiles to Russia.

In another series of questions, people were asked about exchanging engineers and scientists with Russia and joining with the Soviets to place a man on the moon:

Soviet cooperation

	Nation total (percent)
Sending man to the moon jointly:	
Favor	35
Oppose	54
Not sure	11
Exchanging scientists and engineers:	
Favor	34
Oppose	54
Not sure	12

It is at the point of sharing jointly in scientific information or cooperative ventures into space that the American people firmly draw the line. Implicit, of course, is the fear that such action would be aiding and abetting Russian military power.

This deep concern over not helping Russia in any way that could lead to military assistance emerged most sharply of all when people were asked how they felt about selling the Russians such items as machine tools and computers or letting them have U.S. jet planes for commercial use:

Strategic equipment

	Nation total (percent)
Selling machine tools and computers:	
Favor	22
Oppose	67
Not sure	11
Selling jet planes for commercial use:	
Favor	16
Oppose	76
Not sure	8

In the direct area of selling Russians equipment that might have a military application, the American people are adamant and nearly unanimous in opposition.

The idea of taking cautious first steps toward peace has recently taken hold in this country, but the lesson of dealing from strength at all times with the Russians is indelibly stamped on American public opinion.

Mr. CLARK. Mr. President, the article is written by Louis Harris, a political pollster who has done some accurate work for me in the past, as well as for many other Members of the Senate. He shows that with respect to the sale of food to Russia, 54 percent of the American people approve, 36 percent disapprove; and 10 percent are not sure.

The other parts of the Harris report are interesting, because they indicate a large majority supporting cultural exchanges with Russia, a majority opposing a joint trip to the moon, and an even larger majority opposing the sale of strategic equipment to Russia.

On the wheat sale the preponderance is clear. Fifty-four percent approve. I have no doubt that even those who would like to demagog this issue will get little comfort from the people of the Nation.

I yield back the remainder of my time.

Mr. MORSE. Mr. President, before the Senator yields back the remainder of his time, will he yield for a question?

Mr. CLARK. I yield.

Mr. MORSE. Did the poll show that the people voted on the question of whether or not the Export-Import Bank should guarantee the sale?

Mr. CLARK. It did not. In my opinion that is a totally irrelevant and immaterial issue. It has nothing whatever to do with this issue. The Senator knows full well that the Export-Import amendment is put into the bill to kill it, and for no other purpose.

Mr. MORSE. The Senator's speech is irrelevant to the issue, and a complete nonsequitur.

Mr. PASTORE. Mr. President, for the enlightenment of the Senate, I understand that the next speaker will be the Senator from South Dakota, who will address himself to the amendment for a short time; then we shall expect to hear from the distinguished majority leader. Then I shall be ready to yield back whatever time remains to me, in the hope that we might vote on the amendment by 5 minutes past 6.

The PRESIDING OFFICER. How much time does the Senator from South Dakota yield to himself?

Mr. MUNDT. I yield myself 5 minutes. Unless there are other Senators pressing for time on this side of the question after I conclude I shall be glad to yield back the remainder of my time.

If I were speaking like Alice in Wonderland, I would say that the debate becomes "astonishinger and astonishinger." We now hear from the Senator from Pennsylvania [Mr. CLARK] that we have been tying in the Export-Import Bank in order to kill the bill.

We are trying to keep the Export-Import Bank out. We are not opposing private transactions. We are merely trying to shift off the backs of American taxpayers' liability for making good the credit if the Soviet Union should default in its obligations.

I wish to address my remarks tonight to the group of Senators who have been, at one time or other, on both sides of this issue. I should like you members of the "swing shift" to listen to some of the testimony before the Committee on Banking and Currency, which held careful hearings and took the testimony of many outstanding witnesses. One such piece of testimony is the testimony of Dr. G. Warren Nutter, chairman of the James Wilson Department of Economics, of the University of Virginia. He said:

> Granting special concessions to the Communist countries would indeed be sadly ironic. We have given foreign aid to various countries in order to inhibit the spread of communism. This foreign aid has helped to bring about a deficit in our current international balance of payments. We would then propose to correct that deficit by giving aid to Communist countries.

I think anyone could catch on to the irony of that.

The next statement was made by Dr. Gerald L. Steibel, of the Research Institute of America, New York, N.Y., and appears on page 72 of the hearings on S. 2310, with respect to participation by the Export-Import Bank. Dr. Steibel, by the way, was alluded to in committee by the Senator from New York [Mr. JAVITS], who opposes what we are trying to do. But he had the fine, charitable impulse to say that Dr. Steibel "is a member of a very distinguished organization in New York headed by Leo Cherne and Carl Hubbard. I know them both very well, Mr. Chairman, and I am very glad to introduce the witness to the committee."

So we have in Dr. Steibel a high authority, respected by both sides of the argument. Let me quote a paragraph or two from the testimony of Dr. Steibel:

> When we grant credits—and the fact that the Export-Import Bank merely insures someone else's credit is not significant—we are announcing our faith in the debtor. In ordinary commercial transactions, this faith generally extends only to the prospect for repayment; in this transaction it inevitably goes much further: We are saying that we are expressing faith in their system, because we are doing more than selling them commodities; we are aiding them to ride out some very fundamental internal troubles.

That is a point which the Senator from Nebraska [Mr. HRUSKA] and I tried to make earlier in the debate, but which no Senator on the other side of the question has yet answered: "Why should we be bailing out the Communists just when their devilish, unworkable system is beginning to crack up in the cold war? Why should we be helping them at all?" No one has yet answered that question. I will let Dr. Steibel make the point:

I realize that this is not necessarily the purpose of the administration. Nevertheless, that is its effect. It will be so read by other nations, and it is so being read by them now.

It is, indeed, since we know that the business of extending credit to Soviet Russia and the extension of trade by our allies to Red Russia has increased tremendously and will increase further if we insist on encouraging it in the form of Americans seeking the business in the form of American guarantees.

Dr. Steibel continues:

A business deal with the Communists for cash is, in my opinion, bad enough. Nevertheless it does maintain at least some reserve on the part of this country. It informs the Communists that we are dealing with them, to be sure, but that we are doing so gingerly, that we do not trust them.

A cash deal also is a warning that we are not committing ourselves to a next time. It gives them at least some incentive to behave better in all the ways in which we would like them to behave better. And it gives us the option of stopping the flow of goods quickly when that becomes necessary.

But when we underwrite credit we are going far beyond that. For one thing, we are opening ourselves to the possibility that we may be asked to take Communist goods as repayment for the credit. It would be entirely within the Communist character to say to us after the 18 months are up, "Sorry, we don't have the cash, but we'll be glad to give you oil, or chrome, or something else that will cut the heart out of your own allies' markets."

And what would that do to the balance-of-payments argument for the wheat deal? We would deserve that fate if it turned out to be ours.

That is about all I have to say, Mr. President except to correct a few inadvertent errors which have crept into the debate, and which should be corrected for the RECORD.

For example, when the Senator from New York [Mr. JAVITS] summed up that there is no difference between permitting the Export-Import Bank to get into these transactions and permitting private trade to conduct them, I point out that there is all the difference in the world between public credit and private credit. It is the difference between the old American adage that he who makes a profit takes the risk, and the new kind of concept that he who makes the profit takes no risk at all. To me, that is the big difference. Private operators make a guaranteed profit—the general taxpayers assume the entire risk. Clearly this comes under the heading of "nice work—if you can get it."

I should like also to correct the Senator from Massachusetts [Mr. SALTONSTALL], who said that the sole reason for voting to strike out the provision is that the Export-Import Bank has had no loss; therefore, the credit of the Communists must be good. The one thing wrong with that argument is that the Export-Import Bank has never in its history lent a dime to the Communists. So there is no relevancy to that argument. There is no connection between the statement that the record of the Export-Import Bank attributes good credit to the Communists, and the statement that a full moon means a low price for cheese.

The Senator from Oklahoma [Mr. MONRONEY] pointed out, inadvertently, I assume, that the money would go from the Export-Import Bank to a commercial bank, and then be paid by a commercial bank to the Commodity Credit Corporation. Not so. The money goes to a commercial bank, and is given or loaned to the grain dealers of America, who will buy the wheat anywhere they can buy it and can make the biggest profit. If they have some of their own wheat to sell, they can make a big profit. The Bank loans the money to the Communists; they pay it to the exporters. John Q. Taxpayer takes all the risk.

Two other points: I hope this issue will be decided, as it should be, tonight, and that we may be confronted early next year with a Presidential message with respect to some kind of program of trade and aid which will be consistent and positive in nature. I renew my recommendation that America should call a free world trade aid conference for that purpose. I have received several telephone calls from Members of the House of Representatives today, pointing out that if the Senate eliminates the House action on a yea-and-nay vote, the House will insist that the bill be delayed until January. It will not back down. House Members have made up their minds and those voting "aye" the other day are unlikely to vote "nay" tomorrow.

To those who are insistent upon early action on a foreign aid bill, I point out the difficulties that will be confronted in conference if the Senate eliminates the House provision against extending public credit to our enemies.

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

Mr. MUNDT. I yield to the Senator from Rhode Island.

Mr. PASTORE. Does the Senator believe that he can frighten a majority of the Members of this body because two or three Members of the other body have called him to express their opinion?

Mr. MUNDT. The number of calls which the Senator has stated is entirely wrong. But I am not easily frightened, and I do not believe the Senator from Rhode Island is.

Mr. PASTORE. I am never frightened.

Mr. MUNDT. I am pointing out as a matter of practical reality that we are meeting on the day before it is expected that Congress will adjourn for this session. This is something that might be considered now before we find it out when we go to conference.

When a majority of 48 makes up its mind on a yea-and-nay vote in the House, the House does not often change its mind.

Finally, I hope that this issue if it comes back again—and in some way or other it is certain to come back again, regardless of our action—we will recognize that we are talking about a policy of putting the good faith and the money of American citizens behind the credit of Communist countries, for purchase of any supplies whatsoever, wherever they decide to purchase them, in the United States of America or elsewhere.

This is not a wheat proposal or a farm commodity proposal or a grain proposal, any more than it is a proposal in regard to any other product the Soviets have indicated they want to buy—and we know they want to buy alcohol, chemical supplies, fertilizer, fertilizer factories, machine tools, trucks and who can speculate what else.

So the question is what policy we want to establish vis-a-vis our adversary in the cold war, whose devastating attacks make it necessary for us to pass, today, a bill providing appropriations of more than $3 billion.

Do we want to make it possible, by granting our credit, for our adversary to launch an expanded attack at our expense? I think not. Therefore, I urge the rejection of the committee amendment.

Mr. President, I yield back the remainder of the time available to me.

Mr. PASTORE. Mr. President, what time remains available?

The PRESIDING OFFICER. On the amendment, the Senator from Rhode Island has 20 minutes remaining; and the Senator from South Dakota has no time remaining.

On the bill, the Senator from South Dakota has 3 minutes remaining, and the Senator from Rhode Island has 17 minutes remaining.

Mr. PASTORE. Mr. President, the only remaining speaker on our side is the distinguished majority leader [Mr. MANSFIELD]. He will be entitled to use whatever portion of the remaining 20 minutes he wishes to use. When he concludes his remarks, we shall yield back the remainder of the time available to our side, and shall be ready to have the vote taken.

Mr. President, at this time I yield to the distinguished majority leader whatever time he wishes to use.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I have heard the word "practicality" used. I think we should also consider the principle involved. Senators have spoken of "gold dangling." By the same token, I think we should also consider the balance of payments.

Although this proposal is not, per se, a wheat proposal, nevertheless, wheat is at the heart and center of this matter. In addition, although it was not a clear-cut issue, several weeks ago the Senate voted, by a vote of 57 to 36, to reject the proposal advanced by the distinguished Senator from South Dakota.

Furthermore, that proposal was reported unfavorably—by a one-vote-margin—from the Banking and Currency Committee.

The arguments which held then also hold today.

Many Members speak consistently, at least on the platforms, about the cost to

the Government of the huge stored agricultural commodity surpluses we have. I think we must remember that in the field of fiscal responsibility, if this sale of 4 million metric tons goes through, it will bring to the United States, in gold, or dollars, approximately $250 million, and to that extent it will reduce the gold drain.

Second, it will reduce our surplus of wheat now being held by the Commodity Credit Corporation, and in so doing it will reduce the cost to the Government and will be a saving to the taxpayers of the United States. Incidentally, in the agricultural appropriation bill passed on September 30, approximately $2,700 million was voted for supports of various kinds.

Furthermore, in my opinion, if this transaction goes through, it will firm up the price of wheat, which under present estimates, if no legislation is passed, will be somewhere in the vicinity of $1.15 to $1.25 a bushel next year, compared to this year's price of approximately $2.

Furthermore, this wheat will not be diverted to Cuba or to Communist China under the terms of the export licenses to be issued.

The wheat sale will be known to the Soviet people through the Voice of America broadcasts, and it has been made known to the Soviet people.

In terms of the effect domestically, it will bring added employment to American shipping, longshoremen, and railroad workers, as well as to grain traders, millers, and farmers.

It will be conducted through the normal competitive channels of the private American grain trade.

Last of all, up to now the Soviet Union and Eastern European nations have been obtaining American wheat indirectly, by purchases from West Germany, France, and other countries, by purchasing flour made from American wheat and sold to those countries in ever-increasing quantities. In other words, if there is a possibility of a deal with the Soviet Union, and if it does not go through, we shall still sell wheat to Western Europe, and that wheat will find its way into the hands of the Soviets.

Mr. President, on November 15, the late President of the United States, John F. Kennedy, wrote me a letter relative to the Mundt proposal being considered at that time. I now read the letter to the Senate:

THE WHITE HOUSE,
Washington, D.C. November 15, 1963.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: I write to urge in the strongest terms that the Senate should not approve any amendment to the foreign aid bill which would prohibit the use of credit guarantees for trade with any Communist country. It would work against the interest of the United States in crippling the American exporter in fair competition with other free countries for nonstrategic trade with the Communist world. The principle of such an amendment would jeopardize not only the projected sale of wheat to the Soviet Union, but possible sales of important quantities of other products like tobacco, corn, and cotton.

If this amendment is adopted, it is not primarily Communists who will be damaged, but the American producer and exporter. The Export-Import Bank exists to promote the trade of the United States. Its professional judgment is that the state credit of the Soviet Union and of other Communist countries is sufficiently reliable to justify a guarantee in support of U.S. exports. The judgment of the Bank on such matters of credit over a 29-year period has been outstanding—less than 1 percent is now in default on total credits of $11 billion—and in this process the earnings of the Bank after all expenses have been over $800 million.

It is anticipated that the proposed sale of wheat will be made for payment in gold or dollars, either in cash or on short-term credit not exceeding 18 months. The reinforcement of our balance-of-payments position which such a sale will provide is obvious. The Export-Import Bank will, as usual, charge an appropriate fee for any guarantee.

In other words, it will make money on the transaction.

I read further from the letter from the late President of the United States:

The proposed sale of wheat still depends upon negotiations between the Soviet Government and private traders.

That still holds good, today.

The remainder of the letter from the late President of the United States, John F. Kennedy, reads as follows:

The availability of credit on normal commercial terms may be a central element in this negotiation. The interests of the United States will be advanced by a successful completion of this sale. The American farmer, the American exporter, the American shipping and railroad industry, and the American citizen concerned with the strength of our balance-of-payments position should all support this proposed sale. The guarantee of the Export-Import Bank is a normal element in a transaction of this sort, and to prevent such a guarantee by a legislative rider at this delicate stage of negotiations would be an act against the national interest.

Sincerely,

JOHN F. KENNEDY.

So President Kennedy said he thought this was in the best interests of the United States; and at that time he urged very strongly that the proposal advanced by the Senator from South Dakota not be accepted.

Mr. President, under date of today, I have received from the President of the United States, Lyndon B. Johnson, the following letter:

THE WHITE HOUSE,
Washington, December 19, 1963.

Hon. MIKE MANSFIELD,
U.S. Senate.

DEAR SENATOR MANSFIELD: I strongly urge that the Senate reject the amendment attached to the foreign aid appropriation bill which would prevent any use of the facilities of the Export-Import Bank in connection with all trade with Communist countries.

The Senate has before refused to accept this proposal, and it is even less justified now than before. In one of the last letters of his life, President Kennedy pointed out plainly that the Export-Import Bank has a record of judgment which fully justifies confidence in its ability to use its powers wisely, with a net gain to the taxpayer; that the Bank exists precisely for the purpose of assisting American traders in their legitimate commercial interests; and that the proposed restriction would jeopardize not only the possible sale of wheat to the Soviet Union but sales of other important commodities, like tobacco, corn, and cotton, to a number of Communist countries.

The present amendment is doubly objectionable in that it aims to insert a major shift of policy, already rejected by the Senate, into an appropriation bill.

I can assure the Senate, which knows me well, that this administration proposes to protect the interest of the United States in all matters affecting trade with Communist countries. We will support such trade only where it is clearly in our interest to do so. In my judgment sales of wheat and other farm commodities, on reasonable terms, are now plainly in the national interest of the United States—good for our farmers and exporters, good for our shipping and railroad industry, good for our balance of payments, and good for the country. It makes no sense to jeopardize these possible gains by this legislative rider.

Sincerely,

LYNDON B. JOHNSON.

Mr. President, I heard rumors last night and today to the effect that the other body indicated there would be no foreign aid bill if the proposal of the Senator from Rhode Island were agreed to.

I should like to say to this body that we are independent in what we do in this Chamber. I, for one, do not intend to be subjected to threats of any kind.

Either the principle is good or it is not. If it is good, and if Senators agree with their own consciences, and with two Presidents of the United States, they will uphold the position of the Senator from Rhode Island.

RETURN OF SENATOR ENGLE

Mr. PASTORE. Mr. President, we are honored by being afforded the opportunity to welcome back a most distinguished Member of this body who has been convalescing for the past several weeks.

If Senators will be in attention, he will be escorted into the Chamber by the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], and by the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. In the meantime I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

At this point, Mr. ENGLE was escorted into the Chamber by Mr. MANSFIELD and Mr. DIRKSEN.

[Applause, Senators rising.]

Mr. PASTORE. Mr. President, I yield back the remainder of my time. I believe the Senate is ready for a vote.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now expired.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Is it correct that an affirmative vote would sustain the Appropriations Committee in its deletion?

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN. Mr. President, may we have the question stated clearly?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT (when his name was called). On this vote I have a pair with the senior Senator from Kansas [Mr. CARLSON]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], 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.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The pair of the Senator from Kansas [Mr. CARLSON] has been previously announced.

The result was announced—yeas 52, nays 32, as follows:

[No. 282 Leg.]

YEAS—52

Aiken	Hayden	Moss
Bartlett	Humphrey	Muskie
Bayh	Inouye	Nelson
Bible	Javits	Neuberger
Boggs	Johnston	Pastore
Brewster	Jordan, N.C.	Pell
Burdick	Keating	Randolph
Byrd, W. Va.	Kennedy	Ribicoff
Cannon	Kuchel	Saltonstall
Case	Long, La.	Sparkman
Church	Mansfield	Symington
Clark	McCarthy	Talmadge
Ellender	McGee	Williams, N.J.
Engle	McGovern	Yarborough
Fulbright	McIntyre	Young, N. Dak.
Gruening	McNamara	Young, Ohio
Hart	Metcalf	
Hartke	Monroney	

NAYS—32

Beall	Goldwater	Mundt
Byrd, Va.	Hickenlooper	Prouty
Cooper	Holland	Proxmire
Cotton	Hruska	Robertson
Curtis	Jackson	Russell
Dirksen	Jordan, Idaho	Smathers
Dodd	Lausche	Smith
Douglas	McClellan	Stennis
Edmondson	Mechem	Thurmond
Ervin	Miller	Williams, Del.
Fong	Morse	

NOT VOTING—16

Allott	Gore	Scott
Anderson	Hill	Simpson
Bennett	Long, Mo.	Tower
Carlson	Magnuson	Walters
Dominick	Morton	
Eastland	Pearson	

So the committee amendment to strike out lines 9 through 16, on page 17, was agreed to.

Mr. PASTORE. Mr. President, I do not believe there are any further amendments to be offered. I believe the bill is ready for a third reading. I have nothing further to say.

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

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 9499) was read the third time.

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

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. PASTORE. I yield back my remaining time.

Mr. DIRKSEN. I yield back my remaining time.

The PRESIDING OFFICER. All time has been used or yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Tennessee [Mr. WALTERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], 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.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 60, nays 25, as follows:

[No. 283 Leg.]

YEAS—60

Aiken	Fulbright	Metcalf
Bartlett	Gruening	Monroney
Bayh	Hart	Moss
Beall	Hartke	Muskie
Boggs	Hayden	Nelson
Brewster	Hickenlooper	Neuberger
Burdick	Holland	Pastore
Byrd, W. Va.	Humphrey	Pell
Cannon	Inouye	Prouty
Case	Jackson	Proxmire
Church	Javits	Randolph
Clark	Keating	Ribicoff
Cooper	Kennedy	Saltonstall
Cotton	Kuchel	Smathers
Dirksen	Mansfield	Smith
Dodd	McCarthy	Sparkman
Douglas	McGee	Symington
Edmondson	McGovern	Williams, N.J.
Engle	McIntyre	Yarborough
Fong	McNamara	Young, Ohio

NAYS—25

Bennett	Jordan, N.C.	Robertson
Bible	Jordan, Idaho	Russell
Byrd, Va.	Lausche	Stennis
Curtis	Long, La.	Talmadge
Ellender	McClellan	Thurmond
Ervin	Mechem	Williams, Del.
Goldwater	Miller	Young, N. Dak.
Hruska	Morse	
Johnston	Mundt	

NOT VOTING—15

Allott	Gore	Pearson
Anderson	Hill	Scott
Carlson	Long, Mo.	Simpson
Dominick	Magnuson	Tower
Eastland	Morton	Walters

So the bill (H.R. 9499) was passed.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. ELLENDER, Mr. MCCLELLAN, Mr. HOLLAND, Mr. PASTORE, Mr. MONRONEY, Mr. MCGEE, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, I am about to move that the Senate proceed to the consideration of Calendar No. 791, Senate bill 792, but before doing so, I would be remiss in my obligations if I did not pay my respects to the distinguished senior Senator from Rhode Island [Mr. PASTORE], who is so modest that he will not remain in the Chamber to hear what I have to say.

He has rendered a magnificent service. He has shown that he has the ability to

advance lucid arguments. He has been willing to listen to the arguments of the other side. He has conducted himself as a Senator should conduct himself. I think the Appropriations Committee is extremely fortunate to have on it a man of the character, integrity, and ability of the Senator who handled the bill on the floor, and I think the Senate is extremely fortunate to have among its membership a man of the standing of that son of St. Patrick, JOHN "O'PASTORE."

Mr. FULBRIGHT. Mr. President, I wish to associate myself with what the majority leader said about the Senator from Rhode Island [Mr. PASTORE]. He did a magnificent job in handling a very difficult bill.

Mr. HUMPHREY. Mr. President, many people at home and abroad may be concerned by the action of Congress in cutting the President's request for funds under the Foreign Assistance Act for fiscal year 1964.

Fears may be arising in the developing countries that the United States is drastically cutting back its aid effort on their behalf and may be preparing to pull out. Our allies and friends among the industrialized countries may feel we are downgrading free world security interests and abdicating from major joint responsibilities for assisting the development efforts of the developing countries. The Communist countries may conclude that we are lessening our aid efforts and thereby affording them greater opportunities for economic and political penetration.

I believe it is important that we make a clear record that congressional action on this year's aid bill means none of these things. The United States is not pulling out of the aid business. We are not narrowing our concept of our interests or our responsibilities or of the role that foreign aid must play in meeting them.

The sharp congressional cutback in the President's aid request is dismaying. It will have a restrictive effect this year on our ability to meet many important rising needs of developing countries. Some priorities will have to be postponed until next year. The stimulus our aid programs give to economic growth and social development will be less than it could and should be. But we will not fail to meet any of our basic commitments or discontinue support and participation in any of the programs we have intended to continue.

In spite of these cuts in the budget, the level of U.S. aid flows will remain substantial, both in new commitments and in expenditures against old commitments.

Under the Foreign Assistance Act in fiscal year 1963, obligations or commitments for economic aid totaled $2.5 billion. The amounts voted for fiscal year 1964 by the House and proposed by the Senate Appropriations Committee for economic aid, including carryover of unused authority from last year, are $2 and $2.5 billion, respectively. Thus the possible cut in actual commitment levels under the Foreign Assistance Act from last year, depending on final Senate-House compromise, is considerably less than may be commonly believed.

More important, however, is to look at the U.S. aid program as a whole. The Foreign Assistance Act is one portion. But the United States also makes a major effort in assisting developing countries through the food-for-peace program—Public Law 480—the Export-Import Bank, the Peace Corps, and our subscriptions to the World Bank and its affiliate, the International Development Association.

Thus while the level of new commitments under the Foreign Assistance Act will be affected by congressional action at this time, as I have indicated commitments under these other programs are likely to rise in fiscal year 1964, offsetting substantially or entirely any reduction in commitments necessitated by the appropriation cut under the Foreign Assistance Act.

Total combined commitments of economic aid to developing countries under the Foreign Assistance Act, Public Law 480, the Eximbank and the Peace Corps in fiscal year 1963 amounted to some $4.6 billion. A projected $300 million increase in Eximbank lending in fiscal year 1964 and smaller increases in the other programs may well enable the United States to maintain the $4.6 billion total commitment level. In addition to that we have recently agreed with other industrialized countries on a replenishment of resources for the International Development Association to which we will contribute about 40 percent of a $750 million total over the next several years.

Finally, it should be borne in mind that the actual benefit from aid comes when the committed funds are actually expended and the imported equipment or supplies or technicians arrive in the developing country for use. Since some types of projects take longer to be carried out—that is, reach the expenditure stage—than others, variations in commitment levels may not show up in expenditures. And in the critical expenditure measure of aid flow, U.S. aid has been rising for the past several years and is expected to continue to rise this year and next as a result of past commitments. Total net expenditures for all U.S. economic aid programs were $2.8 billion in calendar year 1960, reached $3.5 billion in 1961, $3.6 billion in 1962, and should soon reach the $4 billion level.

Summing up, the sharp cuts in the appropriations under the Foreign Assistance Act are damaging. They will impede the President's ability to meet many important rising needs of the developing countries and to meet problems with the effectiveness and decisiveness that our great country should display. Timetables will have to be stretched out where delay is politically risky, economically wasteful, or socially harmful. Flexibility to meet emergencies is minimal.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

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 and joint resolution, in which it requested the concurrence of the Senate:

H.R. 7332. An act 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. 8853. An act to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs;

H.R. 9436. An act to amend the act of September 2, 1958, to establish a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended; and

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

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

H.R. 9413. An act to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy; and

H.J. Res. 778. Joint resolution 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.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H.R. 7332. An act 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. 9436. An act to amend the act of September 2, 1958, to establish a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended; to the Committee on the Judiciary; and

H.R. 8853. An act to authorize the Secretary of Commerce to make a comprehensive study of certain future highway needs; to the Committee on Public Works.

H.J. Res. 875. Joint resolution making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and

Welfare related to mental retardation, and for other purposes; to the Committee on Appropriations.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON CONSTRUCTION OF SPACE SIMULATOR AT JET PROPULSION LABORATORY, PASADENA, CALIF.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of a 10-foot space simulator at the Jet Propulsion Laboratory, Pasadena, Calif.; to the Committee on Aeronautical and Space Sciences.

REPORT ON HIGH COSTS PERTAINING TO SITES FOR SELECTED LOW-RENT HOUSING PROJECTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on high costs pertaining to sites for selected low-rent housing projects in the area administered by the San Francisco Regional Office, Public Housing Administration, Housing and Home Finance Agency, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXCESSIVE PRICE PAID FOR PROPULSION REDUCTION GEARS PURCHASED FROM WESTINGHOUSE ELECTRIC CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the excessive price paid for propulsion reduction gears purchased from Westinghouse Electric Corp., Sunnyvale, Calif., Department of the Navy, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON UNNECESSARY COSTS BEING INCURRED AS A RESULT OF THE NAVY'S REFUSAL TO ACCEPT THE STANDARDIZED OFFICERS' DRESS SHOES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the unnecessary costs being incurred as a result of the Navy's refusal to accept the standardized officers' dress shoes agreed upon by the Army, Air Force, and Marine Corps, Department of Defense, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

ADJUSTMENT OF IMMIGRATION STATUS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in behalf of Ho Liu, Irene Liu, and Jefferson Liu, relating to adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the Nashville Area Chamber of Commerce, Nashville, Tenn., relating to Federal expenditures, Federal income tax reduction, and sound fiscal policy; to the Committee on Finance.

A resolution adopted by the Windham County Democratic Association, of northeastern Connecticut, favoring the enactment of legislation to designate November 22 as President Kennedy Memorial Day; to the Committee on the Judiciary.

ADJUSTMENTS IN FOREIGN SERVICE ANNUITIES—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 813)

Mr. SPARKMAN. Mr. President, from the Committee on Foreign Relations, I report favorably with amendments, the bill (S. 745) to provide for adjustments in annuities under the Foreign Service retirement and disability system, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators LAUSCHE, WILLIAMS of Delaware, and MUNDT.

The PRESIDING OFFICER (Mr. INOUYE in the chair). 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 Alabama.

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the RECORD the minority views in connection with Senate bill 745, which has just been reported by the Senator from Alabama [Mr. SPARKMAN].

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

The minority views are as follows:

MINORITY VIEWS

It is our opinion that this bill should not be acted upon favorably because, if adopted:

1. It will grant to certain individuals rights to which they are not entitled and which will make these particular individuals the beneficiaries of grants not given equally to other persons in the Foreign Service retirement program.

2. Allow these special retirees now to designate their respective wives as beneficiaries, in the event they are survived by their wives, without requiring the retirees to pay back into the Treasury excess amounts which the fund paid them upon their retirement because they did not elect to have their wives designated as beneficiaries.

3. Treat unjustly those retirees who did designate their wives as survivor beneficiaries and thus suffered a reduction in the retirement pay which they received.

4. Create further complications and the need for further adjustments when those retirees who did designate their wives as survivor beneficiaries learn of the losses which they suffered through the reduction in retirement pay because they did designate their wives as survivor beneficiaries.

5. Definitely create an inequality of treatment of the persons covered by the fund.

6. Give encouragement to the administration of retirement funds completely inconsistent with prudence and actuarial rules.

7. Require the payment of the obligations created by the bill not out of the Foreign Service retirement fund but out of the general taxpayers' fund of the Federal Government.

Any beneficiary under this bill at the time of retirement from the Foreign Service had the option of either designating or not designating a potential surviving spouse as a beneficiary. The retiree had to decide whether he would prefer getting an increased retirement pay for himself without designating his wife as a beneficiary; or a decreased retirement pay by so designating his spouse.

Many retirees did designate their spouses as beneficiaries and thus received less money for themselves during their lifetime. There were others who exercised the option of getting more pay for themselves but excluding their spouses as beneficiaries.

If this bill is adopted it will result in unequal treatment as between these two classes of retirees. The retiree for whom this bill is being passed will now be allowed to designate the spouse as a beneficiary but will also be allowed to keep all of the excess pay that he received from the fund since his retirement.

However, the Foreign Service worker who, at the time of retirement, elected to have his spouse designated as a beneficiary, of course, received less money. There is no provision in the bill reimbursing those retirees for their losses. We are of the opinion that this latter class, when it learns of the discriminatory treatment to which this bill will subject them, will justifiably come before the Congress asking that they be given equal consideration.

With regard to this Foreign Service retirement plan, we have an exhibition of what reckless and imprudent disregard for actuarial rules does to the stability of a retirement plan that was originally set up on a sound basis. The retirement plan of the Foreign Service was adopted by Congress in 1924. At that time, it provided for employee contributions equal to 5 percent of salary up to $9,000; and Government appropriations necessary to continue the plan in full force, the aggregate total of Government appropriations not to exceed the aggregate total of officer contributions plus interest. However, at various times forces began to operate for liberalizations of rights and payments.

Some of the liberalizations that the Congress adopted are as follows:

1. In 1939, officers who had served 30 years could retire at age 60, on a reduced annuity.

2. In 1939, survivor annuities for wives were first provided.

3. In 1941, the act was changed to permit retirement with 30 years of service at age 50.

4. In 1946, voluntary retirement at age 50 with 20 years of service was permitted.

5. In 1946, disability retirement was liberalized so that when a participant in the system becomes disabled, if he has at least 5 years of service, his annuity is figured on the basis of a minimum of 20 years of service.

6. Also in 1946, the act was amended to provide that an annuity would be based on the officer's 5-year average salary next preceding retirement, rather than the 10 years next preceding retirement.

7. In 1955, it was changed to the best 5-year average, rather than the 5 years next preceding retirement.

8. In 1956, the limitation on years of service on which an annuity could be based was raised to 35 years, thus allowing 70 percent of the highest 5-year average salary as an annuity.

9. In 1960, the retirement system was changed to provide that Foreign Service Staff personnel, after they have served 10 years in the Foreign Service, become participants in the Foreign Service retirement system. During the first 10 years of their service they are subject to the Civil Service Retirement Act.

10. In 1960, survivor annuities for children were also granted.

11. And, in 1960, the act was amended to provide for recomputation of annuities of those who had retired prior to 1956 to allow those with more than 30 years to be given added credit for the difference up to 35 years.

A measure of the dollar impact of these liberalizations on the unfunded liability of the system is not available. But, partly as a consequence of these liberalizations the fund is now in an indefensible state of instability.

The limitation of 5 percent of salary up to $9,000 provided by the 1924 act was changed to $10,000 on February 23, 1931; changed to $13,500 on August 13, 1946; and removed altogether on August 5, 1955. The limitation on Government appropriations to the fund which was a provision from the establishment of the system in 1924, was removed on April 24, 1939. Government payments were

to be in the form of annual appropriations based upon an actuarial determination of the contribution required. Frequently the Congress did not appropriate all or any part of the funds requested for this purpose.

Subsequently on September 8, 1960, the law was again changed with respect to contributions requiring that the employees and the U.S. Government each pay 6½ percent effective July 1, 1961.

Existing now with respect to this retirement program is the indefensible and unbelievable situation that because of liberalizations in rights and other causes it requires a contribution of 29.7 percent to maintain the fund. If the contributions were to be made on an equal basis by employer and employee, each would have to contribute 14.8½ percent of the payroll. The Government now owes $288 million to the fund; the receipts of the fund are now equal to 13 percent of the payroll of the Foreign Service which is approximately $250 million. It is essential that this inadequacy of contribution be solved.

We have been told that a proposal will be made to continue the payment of the employees at 6½ percent of their salaries but that the general taxpayers will then be required to contribute 23.2 percent of the payroll.

Illustrative of the unbelievable situation that prevails in the fund is the fact that into it now on the basis of a 13-percent contribution (6½ percent by the Government and 6½ percent by the workers) in fiscal year 1962, the fund received $6 million while it paid out for all purposes $5.5 million. An actuarial projection of funds, known obligations, and anticipated receipts reveals that unless measures are taken to improve the financing of the fund it will be depleted by 1977 and unable to meet future obligations. Obviously, this situation is bad. It is the result of failure to recognize when the liberalizations were made what the ultimate consequences would be. Many times when new rights were granted to one group, subsequently new rights had to be granted to another in order to equalize the consideration given.

We believe that Congress should not act favorably upon this bill because, if adopted it will treat persons covered by the fund unequally. In addition, its adoption would encourage the imprudent and actuarially unsound administration of retirement funds; and would further obligate the general taxpayers' fund of the Federal Government, rather than the Foreign Service retirement fund. We believe that rather than further adding to the unfunded liability of the Foreign Service retirement plan Congress should be considering viable proposals to solve the deficiency in the fund aggravated by the liberalizations adopted in the past.

FRANK J. LAUSCHE,
JOHN J. WILLIAMS,
KARL E. MUNDT.

Mr. LAUSCHE. Mr. President, this bill contemplates the liberalization of the retirement payments in the Foreign Service, because of previous liberalization running through the years. The situation now requires 29.7 percent of wages to be contributed to the fund in order to make it actuarily sound. It has been suggested that the workers in the Foreign Service put up 6½ percent and that the taxpayers put up 23.2 percent of the salaries in order to maintain it financially feasible.

It is one of the most indefensible, imprudent expansions of taxpayers' funds that is probably on record in the history of Congress.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. WILLIAMS of New Jersey:

S. 2402. A bill to suspend for a temporary period the import duty on polyethylene imine; to the Committee on Finance.

By Mr. TALMADGE:

S. 2403. A bill to amend section 7701 of the Internal Revenue Code of 1954 to clarify the tax status of certain professional associations and corporations formed under State law; to the Committee on Finance.

By Mr. HART:

S. 2404. A bill for the relief of Carleen Coen; to the Committee on the Judiciary.

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

S. 2405. A bill to amend the International Claims Settlement Act of 1949, as amended, to provide for submission of certain claims agreements to the Senate for its advice and consent; to the Committee on Foreign Relations.

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

By Mr. HARTKE:

S. 2406. A bill for the relief of Ioannis Kosmakos; and

S. 2407. A bill for the relief of Nikolaos Vilos; to the Committee on the Judiciary.

By Mr. MOSS:

S. 2408. A bill to provide for granting employees in the postal field service time off for one State holiday each year; to the Committee on Post Office and Civil Service.

By Mr. KEATING:

S.J. Res. 140. Joint resolution proposing an amendment to the Constitution to create the offices of Executive Vice President and Legislative Vice President; to the Committee on the Judiciary.

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

CONCURRENT RESOLUTION TO PRINT AS A SENATE DOCUMENT, WITH ADDITIONAL COPIES, MEMORIAL COPIES OF INAUGURAL ADDRESS OF THE LATE PRESIDENT KENNEDY ON JANUARY 20, 1961

Mr. HUMPHREY. Mr. President, I submit a concurrent resolution which reads as follows:

Resolved by the Senate (the House of Representatives concurring),

SECTION. 1. That there be printed as a Senate document, in such style, form, and manner as may be directed by the Joint Committee on Printing, memorial copies of the inaugural address delivered by the late President, John F. Kennedy, upon the occasion of his inauguration on January 20, 1961.

SEC. 2. There shall be printed 60,000 additional copies of such document, of which 20,000 shall be for the use of Members of the Senate and 40,000 shall be for the use of Members of the House of Representatives.

Mr. President, I send the concurrent resolution to the desk to have it appropriately referred. I have read the text of the concurrent resolution because I wish the RECORD to show that this procedure is now underway. I am very hopeful that early in January 1964, the committee will be able to report the concurrent resolution favorably. There is already a great demand for this particular document.

The PRESIDING OFFICER. The concurrent resolution will be received and referred to the Committee on Rules and Administration.

The concurrent resolution (S. Con. Res. 70) was referred to the Committee on Rules and Administration.

RESOLUTION TO PRINT AS A SENATE DOCUMENT A REPORT ENTITLED "PERSONNEL ADMINISTRATION AND OPERATIONS OF AGENCY FOR INTERNATIONAL DEVELOPMENT"

Mr. McGEE submitted the following resolution (S. Res. 237); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed as a Senate document a report entitled "Personnel Administration and Operations of Agency for International Development," submitted by Senator GALE W. MCGEE to the Committee on Appropriations and that 10,000 additional copies be printed for the use of that committee.

CLAIMS AGREEMENTS SHOULD BE HANDLED AS TREATIES, KEATING URGES

Mr. KEATING. Mr. President, on behalf of the Senator from Illinois [Mr. DOUGLAS], and myself, I introduce, for appropriate reference, legislation to require Senate ratification of any claims agreement made with foreign nations for claims adjudicated by the Foreign Claims Settlement Commission.

The purpose of this legislation is clear. In the International Claims Settlement Act of 1949, as amended, the Congress has established the procedure whereby the Claims Commission investigates and adjudicates the claims of U.S. citizens against foreign countries.

At present most of the claims under consideration are for property seized and nationalized by Communist governments in Eastern Europe. In the future these claims may well include expropriation claims against other nations throughout the world.

What has happened so far in the settlement of these claims is instructive. The Foreign Claims Settlement Commission has set a total claims value for each nation involved. Then, time and again the State Department "has negotiated with the countries seizing U.S. property and settled for 40 percent, 30 percent, 24 percent, and in the Czech case less than 10 percent of the full amount determined by the Claims Commission." Explicitly or implicitly, the agreements reached have not been limited to claims settlements, but have included other points at issue and frequently trade agreements have been the quid pro quo to get agreement by the Communist governments on the claims owed.

The result of these actions by the Department of State has been to deprive U.S. citizens of property, in the form of

validated claims, without due process of law and with no further appeal to any agency of the Government.

In the Czech case, for instance, the Department of State has in effect admitted that they would be prepared to settle for about $11 million of a total of $113.6 million, including both principal and interest. Furthermore, I should be glad to make available the contradictory correspondence which I have had on this matter to any interested Members of the Senate so that they can review it.

Mr. President, I introduced an amendment along these lines, but referring only to the Czech settlements, when the foreign aid bill was before the Senate. Basically I regard an agreement to accept less than 10 percent on a dollar of adjudicated claims as a form of foreign aid at the expense of U.S. taxpayers.

However, in a technical sense, this issue can even more properly be considered as an amendment to the International Claims Settlement Act, and I shall certainly press the matter again when a suitable occasion arises. "We must make clear to the State Department through this and other methods that we will not tacitly accept the seizure of U.S. property overseas and then settle for a mere pittance of the true value. This measure should appreciably strengthen the hand of our Government in all such negotiations," by giving the Senate an opportunity to pass on claims settlements before they go into effect.

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

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2405) to amend the International Claims Settlement Act of 1949, as amended, to provide for submission of certain claims agreements to the Senate for its advice and consent, introduced by Mr. KEATING (for himself and Mr. DOUGLAS), was received, read twice by its title, referred to the Committee on Foreign Relations, 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 International Claims Settlement Act of 1949, as amended, is further amended as follows:

Section 4, Title I, is hereby amended by adding at the end thereof the following subsection:

"(k) It is the sense of the Congress that any agreement hereafter entered into between the Government of the United States and any foreign government relating to the settlement of claims, determined or in the process of determination by the Foreign Claims Settlement Commission, by nationals of the United States against such foreign government shall be submitted to the Senate for its advice and consent."

PROPOSED AMENDMENT TO CONSTITUTION FOR TWO VICE PRESIDENTS

Mr. KEATING. Mr. President, I introduce for appropriate reference a joint resolution proposing a constitutional amendment creating two Vice Presidents of the United States.

Mr. President, in the wake of the tragic assassination of the late President Kennedy has come a renewed and healthy interest in a number of proposals affecting Presidential succession and Presidential inability. From my own viewpoint, the problem of Presidential inability is far more serious than the problem of Presidential succession. In my judgment, action on inability is desperately needed and deserves the highest priority. The late distinguished Senator Kefauver from Tennessee and I had cosponsored a proposed constitutional amendment which would authorize the Congress to settle by ordinary legislation the means or mechanics by which inability problems could be resolved. This measure has already received the approval of the Senate Subcommittee on Constitutional Amendments and is now pending before the full Committee on the Judiciary. In my judgment, the committee should take this proposed amendment up as early in January as possible, and I shall do everything in my power to do that.

The reason I stress inability as opposed to succession is that by the nature of things a President is more likely to be incapacitated for performing the duties and powers of his office than he is to be killed or to be removed from office or to resign.

Even in the old days, when Presidents did not take trips all over the world by airplane and did not ride in fast-traveling automobiles, the threat of serious physical injury was always present.

For example, in 1844, in President Tyler's term, a Presidential party went aboard a steamer called the *Princeton.* One of its new guns was fired in salute, but the gun exploded and killed two Cabinet officers, the Secretary of State, and the Secretary of the Navy, and almost killed President Tyler.

In 1881, when President Garfield fell victim of an assassin's bullet, he lingered for some 80 days, during which he performed but one official act, the signing of an extradition paper. Vice President Arthur was in doubt as to whether to act, and he did not act. Eventually, of course, he succeeded to the Presidency upon President Garfield's death.

In 1919, President Woodrow Wilson suffered a severe stroke, as many of us remember. There were times when he was not able to function. Major foreign policy questions were unsettled, and a Cabinet member who considered asking the Vice President to act as President was sternly rebuked by President Wilson's secretary for his disloyalty to the President.

On three occasions, during the Eisenhower administration, the illness of the President was cause for serious public concern and brought into focus once more the need for dispelling uncertainties in cases of inability.

As a matter of fact, during the history of our Nation, there has been a total elapsed time of 1 year when we have not had a functioning President. So that this question of inability is important but likewise important is the question of succession.

And most recently, at Dallas, as much as it is distasteful to entertain the thought, only a matter of a few inches spelled the difference between the President's virtually instantaneous and painless death and a lifelong permanent injury.

Therefore, Mr. President, I do not wish to imply by the introduction of this proposed constitutional amendment that I now believe that the problem of Presidential succession is more pressing than that of inability. Both, of course, must be carefully considered anew. But in my order of priorities, inability should head the list.

The amendment I am introducing today would create two Vice Presidents of the United States. One is designated as the Executive Vice President, and would stand first in line to succeed to the Presidency in case of death, removal, or resignation of the President. The other would be designated as the Legislative Vice President, and stand second in line of succession. No further changes in the line of succession would be contemplated. In other words, the present succession law of 1947 could stand as it is, the only difference being that a second Vice President would be interposed in the line of succession between the first Vice President and the Speaker of the House.

Both Vice Presidents would be elected along with the President on a national ticket in 4-year elections as we have at present.

The amendment I am proposing would place neither Vice President within a hidebound scheme of duties and responsibilities. As proposed, the first or Executive Vice President would have no constitutional duties at all. He would be free, as is the present single Vice President, to take on any and all special assignments at the pleasure of the President. The main purpose is, of course, to retain the current practice, developed mostly within the last decade or so, of training the immediate successor to the Presidency into the highest level of executive policy circles in preparation for the eventuality we always pray will never occur.

The second or Legislative Vice President would succeed to the constitutional powers and duties now conferred upon the single Vice President; that is, he would be the Presiding Officer of the Senate, and would have the power to break a legislative deadlock on a tie vote in the Senate. In addition, much like the Executive Vice President under this proposal, and much like the single Vice President we now have, the Legislative Vice President would be free to take on additional assignments at the discretion of the President.

Since the relationship between the President and Vice President, and the degree to which the President will make use of the Vice President in performing basically executive-type duties, has always varied depending on the personalities of these two officers and a variety of political circumstances, it is my intention not to encumber either Vice

President, under this proposal, with a rigid set of duties and responsibilities, save in the case of the Legislative Vice President, who would have, as now, the two constitutional functions of presiding over the Senate and casting a tie-breaking vote.

If, under this proposal, the President were to die, resign, or be removed from office, the office itself would devolve upon the Executive Vice President, and the office of Executive Vice President would devolve on the Legislative Vice President. In the case of death, removal, or resignation of the Executive Vice President, his office would devolve upon the Legislative Vice President, and we would be in no worse situation than the present one, in which there is no Vice President endowed with the constitutional function of presiding over the Senate.

As I have said, I would make no change in the line of succession after the second or Legislative Vice President. In 1947, when I was a Member of the House of Representatives, and also a member of its Committee on the Judiciary, which considered the bill which led to the Succession Act of that year, that plan had my full support. I believed then, and still believe now, with President Truman who recommended it, that it is preferable to have elected officials as opposed to appointed officials stand next directly in line to the Presidency after the Vice President. However, under the present succession law, that official is elected not by the people but by his colleagues in the body in which he serves. It is true, however, that both the Speaker of the House and the President pro tempore of the Senate are elected officials of only a small bailiwick, that is to say, either a congressional district or a State, and are elected to their special offices in the Congress only indirectly by the people—that is, by their representatives in the Congress. The single greatest advantage of interposing a second Vice President in the line of succession between a single Vice President and the Speaker of the House is that we would be assured that in the second Vice President we would have an official elected by all the people of the United States at the same time as the President.

There have been a number of other proposals made, all of which should receive our consideration when we take up this matter next year. One of them would have the Houses in joint session select a Vice President when a vacancy occurs. That proposal seems to be open to the same objection as the present succession law. The selection would be by his colleagues rather than by the people. It would also be subject to the same objection as the present law, that a successor could well be a member of the opposite party from the President, which is not desirable when the people have elected the President of one party which will remain in office for a 4-year period.

Purely as a matter of draftsmanship and convenience, I have incorporated the language of the Kefauver-Keating proposal for a constitutional amendment on inability (S.J. Res. 35) within the body of the proposed amendment I am introducing today. In doing this, it is certainly not my intention to preempt consideration of Senate Joint Resolution 35 by itself and on its own merits. I intend very shortly to separate from the amendment I am introducing today the second Vice President plan, in order that it may be considered separately and on its own merits.

It has already been announced by the leadership that there will be hearings commencing sometime in January on the problem of presidential succession. Numerous constitutional amendments have already been offered, and will doubtless receive consideration in that connection. It is my hope that the plan I am introducing today will likewise be taken up at that time and, though it represents somewhat of a departure from other, more limited proposals, will be accorded careful attention.

Finally, I have read with great interest the arguments of some, most notably Prof. Lucius Wilmerding, Jr., of Princeton University, to the effect that the present succession act is unconstitutional. The argument is that the provision which requires the Speaker of the House or the President pro tempore of the Senate, as the case may be, to resign from his office and from the Congress prior to succeeding to the office of President, and this provision was inserted in order to avoid violating the constitutional ban against a dual office for a Member of the Congress, runs afoul of another constitutional requirement that the person succeeding to the Presidency, under a line of succession ordained by Congress, shall be an "officer." The amendment I am introducing today would change the word "officer" to "person" and thereby put to rest any constitutional doubts which have been raised on this score. That party, in my judgment, should remain in office for a 4-year period.

Another suggestion which has been made is to have the President, at the time the Vice President takes over, appoint a Vice President as his successor. That seems to me to be open to the serious objection that it would allow a President to name his successor and to perpetuate a situation which might not be received with favor by the people of the country.

The presentation of this proposal is designed to provide that always there would be a President acting who had been selected by the people of the United States. I know of no other proposal which has been suggested—there may have been others; I simply have not been able to devise them in my own mind—which would provide for that situation, so that our selected President would be the selection of the people of this country rather than of a legislative body or of the President acting as such himself.

I hope very much that all these proposals will receive early consideration in the next session, and that we shall come to grips with this important problem promptly.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

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

The joint resolution (S.J. Res. 140) proposing an amendment to the Constitution to create the offices of Executive Vice President and Legislative Vice President, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S.J. RES. 140

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The office of Vice President is abolished. There shall be an Executive Vice President and a Legislative Vice President of the United States, each of whom shall hold office during the term of four years and shall be chosen in the manner and begin his term at the time provided with respect to the Vice President whose office is abolished by this section.

"SEC. 2. If, at the time fixed for the beginning of the term of the President, the President-elect shall have died, the Executive-Vice-President-elect shall become President. If at such time the President-elect and the Executive-Vice-President-elect both shall have died, the Legislative-Vice-President-elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President-elect shall have failed to qualify, then the Executive-Vice-President-elect shall act as President until a President shall have qualified. If neither a President nor an Executive Vice President shall have been chosen before the time fixed for the beginning of the term of a President, or if neither the President-elect nor the Executive-Vice-President-elect shall have qualified, then the Legislative-Vice-President-elect shall act as President until a President or an Executive Vice President shall have qualified. The Congress may by law provide for the case wherein no President-elect, Executive-Vice-President-elect, or Legislative-Vice-President-elect shall have qualifed, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President, an Executive Vice President, or a Legislative Vice President shall have qualified.

"SEC. 3. In the case of the removal of the President from office, or of his death or resignation, the office of President shall devolve upon the Executive Vice President. In the case of the removal of the Executive Vice President from office, or of his death or resignation, or when he shall become President, the office of Executive Vice President shall devolve upon the Legislative Vice President. In the case of the inability of the President to discharge the powers and duties of his office, said powers and duties shall devolve upon the Executive Vice President as Acting President until said inability is removed. In the case of the inability of both the President and the Executive Vice President to discharge the powers and duties of the office of President, said powers and duties shall devolve upon the Legislative Vice President as Acting President until said inability of the President or of the Executive Vice President be removed. The Congress may by law provide for the case of removal, death, resignation, or inability of the Presi-

dent, the Executive Vice President, and the Legislative Vice President, declaring what person shall then be President, or in the case of the inability of all of said officers act as President, and such person shall be or act as President accordingly until the end of the term for which the President was elected, or in the case of any such inability until such inability shall be earlier removed. The Congress may prescribe by law the method whereby the commencement and termination of the inability of any such officer shall be determined.

"SEC. 4. The Legislative Vice President of the United States shall be President of the Senate, but shall have no vote unless they be equally divided. The Senate shall choose a President pro tempore in the absence of the Legislative Vice President, or when he shall exercise the powers and duties of the office of President or Executive Vice President of the United States.

"SEC. 5. Except as otherwise provided by this article, all provisions of this Constitution relating to the office of Vice President abolished by section 1 of this article shall have application to or with respect to the office of Executive Vice President and to the office of Legislative Vice President.

"SEC. 6. This article shall apply to the selection of an Executive Vice President and a Legislative Vice President for each regular term of President which begins more than one year after the ratification of this article as an amendment to the Constitution, and shall take effect for all other purposes at the beginning of the term of President for which the first Executive Vice President and the first Legislative Vice President may be chosen under this article.

"SEC. 7. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the States within seven years from the date of its submission to the States by the Congress."

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES—AMENDMENT (AMENDMENT NO. 375)

Mr. MORTON. Mr. President, I submit an amendment, intended to be proposed by me, 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. I ask unanimous consent that an explanation of the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the explanation will be printed in the RECORD.

The explanation presented by Mr. MORTON is as follows:

EXPLANATION OF AMENDMENT TO H.R. 8363 DEALING WITH AMOUNTS RECEIVED FROM EMPLOYER ON SALE OF RESIDENCE OF EMPLOYEE IN CONNECTION WITH TRANSFER TO NEW PLACE OF WORK

In recent years large employers with plants and offices scattered about the country have frequently shifted existing employees from one location to another with the result that many employees are compelled for the convenience of their employer to dispose of their homes on short notice, at prices below fair value. Employers often reimburse their old employees for such economic losses. The Treasury (since winning the Bradley case, 36 T.C. 300, in the Tax Court last year) has taken the position that such reimbursed amounts are taxable as ordinary income to the employees. From 1947 to 1962 the only court decision on this issue (Schairer, 9 T.C. 549) had permitted such reimbursements to be treated as part of the sales price of the residence.

The amendment, which would add new section 224 to the code, would reinstate the rule of the Schairer case since it appears highly inequitable to impose a tax penalty on thousands of employees who must sell their homes under forced sale conditions because of moves connected with their work.

TECHNICAL EXPLANATION

Under the amendment, reimbursements within prescribed limits connected with the sale of his residence by a transferred employee are treated as part of the amount realized on the sale.

To provide uniformity and to prevent the possibility of abuse, the following conditions must be satisfied:

1. The reimbursed amounts treated as part of the selling price in the case of a forced sale cannot exceed the difference between the actual selling price of the house and its fair market value as of the valuation date selected by the employer falling within the forced sale period, plus the amount of the selling expenses incident to the transfer.

2. As a second limitation, the amount treated as an additional amount realized on the sale cannot exceed 15 percent of the gross sales price of the house.

3. In determining fair market value for this purpose, the average of two or more appraisals by independent real estate appraisers selected by the employer is to be used, but in unusual circumstance the validity of appraisals may be questioned by the Service.

4. Only "old" employees (those employed for at least 6 months) are eligible for the benefits of the amendment.

5. To qualify as a "forced sale," the sale of the old residence must occur during the period beginning 90 days before and ending 180 days after the date on which the employee starts work at the new job location.

6. The amendment has no application unless the distance from the employee's new job location is at least 20 miles farther from his old residence than was his old job location.

REVENUE COST

The Treasury, in opposing a similar amendment last June before the House Ways and Means Committee, stated that treating reimbursed closing costs and economic loss on the sale of the employee's house as part of the sales proceeds rather than as ordinary income would cost the Government $67 million annually in taxes.

It is believed that this estimate is unduly high for the following reasons:

1. The Government has not and is not, except in isolated cases, collecting tax with respect to amounts paid by employers to existing employees in connection with the disposal of their homes when occasioned by a move to a new job location. Consequently the Treasury's budget figures have not taken this item into account. Under the rule of the Schairer case the Government would receive little tax currently because employees have generally applied the amounts received from their employers to the purchase of homes at their new job locations, thus deferring the capital gains tax that might otherwise be payable.

2. In order not to benefit moves undertaken for personal reasons, the amendment covers only the case of the reimbursed "old" employee. Consequently there is no revenue loss attributable to "new" employees or to non-reimbursed employees (the nonreimbursed employee, since he has received nothing from his employer to treat as additional proceeds from the sale of his house, is not involved under the draft).

3. Any revenue which may be involved is at best "potential revenue" since it is dependent on the outcome of further litigation.

4. Finally, even if the Government attempts to collect taxes on such reimbursements, it is not likely to succeed for long. If necessary, many corporations may attempt to solve the problem by purchasing their employees' homes at appraised values, rather than continuing to utilize the more convenient reimbursement procedure. (See attached Prentice Hall Tax Service comment.)

[From Prentiss-Hall Tax Service]

HOW TO AVOID TAX WHEN YOU MOVE TO A NEW JOBSITE: HAVE EMPLOYER BUY YOUR HOME

Paragraph 32,605: If you have to sell your home at a loss when you move to a new jobsite, don't let your boss make up the loss. Ask him to buy your home, instead. It will cut your tax bill. Here's the story:

Suppose you're an employee who has to move to a new jobsite. You sell your house at a loss because you can't wait for a fair offer. If your boss agrees to make up the loss, are you taxed on what he gives you? Until recently, it depended on whether you were a new or an old employee. Now, it doesn't make any difference. You're taxed in either case.

THE OLD EMPLOYEE

Say you've been working for the company a year when it asks you to move to a new town. Once the Tax Court said the company's loss-cutting payment was part of your sales proceeds. There was no tax if you still had a loss or broke even. *Otto Sorg Schairer*, 9 TC 549. But last January, a majority of the court overruled Schairer, and the fourth circuit has just affirmed. *Bradley* v. *Comm.*, paragraph 63–5259, affirming 39 TC 652 (No. 64); see paragraph 32,050. The loss-cutting payments are now regarded as incentive pay, fully taxable to the employee.

THE NEW EMPLOYEE

Now say you have to move to take a new job with another company. Even before the Tax Court overruled Schairer, it refused to apply the rule of that case to new employees. *Arthur J. Kobacker*, 37 TC 882.

ROUNDING OUT THE PICTURE

If your boss gives you some money to help pay for a house at the new jobsite, that's income. *Rinehart* and *Le Grand*, paragraph 7031(20).

HERE'S A WAY OUT

If you face a loss, try to sell to your boss for a reasonable price, possibly your cost. That way, you'll cut down your loss with little risk of tax. And your boss is better off, too. With more time to resell, he has a better chance than you of breaking even or, perhaps, winding up with a profit. But make sure you back up the deal with an appraisal of value by a competent expert. That's to ward off any IRS claim that the sale wasn't at arm's length.

THE NEW TAX BILL

Section 212 of the new bill changes some of the rules for ordinary moving expenses (transportation of property and traveling expenses). It doesn't apply to losses on the sale of property.

Under current law, the distinction between an old and new employee is still recognized in the area of ordinary moving expenses. So if the employer pays these expenses, it's tax free to the old employee, taxable to the new. Section 212 would change this; give the new employee much the same tax break as the old.

For related material, see paragraph 7031 (15) and (20).

Mr. McCARTHY submitted four amendments (Nos. 376, 377, 378, and

379), intended to be proposed by him, to House bill 8363, supra, which were referred to the Committee on Finance and ordered to be printed.

APPOINTMENT TO SPECIAL COMMITTEE ON THE AGING

The PRESIDING OFFICER. On behalf of the President pro tempore, the Chair appoints the Senator from Texas [Mr. YARBOROUGH] as a member of the Special Committee on the Aging, vice the Senator from Pennsylvania [Mr. CLARK].

BOARD OF VISITORS, AIR FORCE ACADEMY

The PRESIDING OFFICER. In behalf of the President pro tempore, pursuant to section 9355 of title X, United States Code, the Chair announces the appointment of the Senator from Missouri [Mr. SYMINGTON], the Senator from Wyoming [Mr. MCGEE], and the Senator from Nebraska [Mr. HRUSKA] as members of the Board of Visitors of the Air Force Academy.

RESIDENCE FOR CONGRESSIONAL PAGES—ADDITIONAL COSPONSOR OF BILL

Mr. YARBOROUGH. Mr. President, at its next printing, I ask unanimous consent that the name of the junior Senator from Arizona [Mr. GOLDWATER] be added as a cosponsor of Senate bill 1847, to establish a residence for congressional pages.

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

ADDITIONAL COSPONSOR OF AMENDMENT

Mr. PASTORE. Mr. President, I ask unanimous consent that at the next printing the name of the Senator from Idaho [Mr. JORDAN] be added as a cosponsor to amendment No. 329, providing income tax credit for college expenses.

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, December 19, 1963, he presented to the President of the United States the following enrolled bills:

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;

S. 1698. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 1756. An act to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under this act;

S. 1767. An act to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes;

S. 2228. An act to change the requirements for the annual meeting date for national banks;

S. 2275. An act to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; and

S. 2364. An act to provide that the Commission on the Disposition of Alcatraz Island shall have 6 months after its formation in which to make its report to Congress.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business, to consider the postmaster nominations. All the nominations on the Executive Calendar are postmaster nominations.

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Thomas C. Mann, of Texas, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

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

Twenty-one postmaster nominations.

The PRESIDING OFFICER. If there be no further reports of committees, the postmaster nominations will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

DEPARTMENT OF STATE

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination of Mr. Thomas C. Mann, to be an Assistant Secretary of State, which was reported today.

The committee approved the nomination unanimously. All the members who were available have been polled.

Mr. JAVITS. Mr. President, I made a long speech today on the Alliance for Progress, based upon the supposition that Tom Mann would become the Assistant Secretary. I could not think of a better thing the President could do. I am pleased that the Senator is bringing up the nomination at this time.

Mr. FULBRIGHT. The committee reported it unanimously. We wanted to bring this nomination before the Senate before the Senate adjourned.

The PRESIDING OFFICER. The nomination will be stated.

The Chief Clerk read the nomination of Thomas C. Mann to be an Assistant Secretary of State.

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

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations confirmed this day.

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

REQUEST FOR SENATORS' RECOMMENDATIONS IN CONNECTION WITH POSTMASTER NOMINATIONS

Mr. JOHNSTON. Mr. President, I ask the two Senators from each State to be prompt in submitting their recommendations in regard to postmaster nominations to the Committee on Post Office and Civil Service, to enable it to approve them this afternoon, or before the session ends.

LEGISLATIVE SESSION

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

The motion was agreed to; and the Senate resumed the consideration of legislative business.

"SAVE YOUR VISION WEEK"

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 113) to authorize the President to issue annually a proclamation designating the first week in March of each year as "Save Your Vision Week," which was, to strike out the preamble.

Mr. DIRKSEN. I move that the Senate concur in the House amendment.

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

The motion was agreed to.

U.S. CUSTOMS YEAR

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 680, requesting the President to designate 1964 as "U.S. Customs Year."

I have consulted with all the members of the subcommittee. As I have said, the President would be requested to designate 1964 as U.S. Customs Year because it is the 175th anniversary of the establishment of the Customs Service.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Presiding Officer laid before the Senate the joint resolution (H.J. Res. 680) requesting the President to designate 1964 as "U.S. Customs Year," which was read twice by its title.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 680) was ordered to be read a third time, was read the third time, and passed.

HANNAH ROBBINS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1838) for the relief of Hannah Robbins, which was, in line 8, after "Act" insert ": *Provided*, That, unless the beneficiary is entitled to care under chapter 55 of title 10 of the United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act".

Mr. DIRKSEN. Mr. President, on October 1, 1963, the Senate passed S. 1838, to waive the excluding provision of existing law relating to one who is afflicted with epilepsy in behalf of the wife of a U.S. citizen member of the Armed Forces.

On December 17, 1963, the House of Representatives passed S. 1838, with an amendment to provide that if the beneficiary is not entitled to care under the Dependents' Medical Care Act that a suitable and proper bond be deposited as a guarantee that the beneficiary will not become a public charge.

Although the beneficiary is eligible for care under the Dependents' Medical Care Act, the amendment is acceptable, and I move that the Senate concur in the House amendment to S. 1838.

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

The motion was agreed to.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 57) favoring the suspension of deportation of certain aliens, which were, on page 2, after line 15, insert "[redacted], Gee, Poy Jam."; on page 2, after line 15, insert "[redacted], Lum, Cheung Yuen."; on page 2, after line 15, insert [redacted], Rodriguez-Blanco, Jose.", and on page 3, after line 7, insert "[redacted], Wittenber, Jan Peter."

Mr. DIRKSEN. Mr. President, on August 20, 1963, the Senate agreed to Senate Concurrent Resolution 57 to approve the action of the Attorney General in granting suspension of deportation to certain deportable aliens.

On December 17, 1963, the House of Representatives agreed to Senate Concurrent Resolution 57, with amendments to add three cases inadvertently not included by the Senate, and to restore one case previously approved by the Senate and held by the House of Representatives.

I move that the Senate concur in the House amendments to Senate Concurrent Resolution 57.

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

The motion was agreed to.

MRS. SUSANNA GRÜN (SUSANNE ROTH)

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1096) for the relief of Mrs. Susanna Grün (Susanne Roth) which was, in line 6, strike out "section 101(b)(27)(B)" and insert "section 101(a)(27)(B)".

Mr. DIRKSEN. Mr. President, on October 1, 1963, the Senate passed S. 1096, to grant the beneficiary nonquota status as a returning resident alien. As thereafter referred to the House of Representatives, the bill contained an error in printing.

On December 17, 1963, the House of Representatives passed S. 1096, with an amendment to correct this error.

I move that the Senate concur in the House amendment to S. 1096.

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

The motion was agreed to.

MRS. JOYCE MARK BOUVIER

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1014) for the relief of Mrs. Joyce Mark Bouvier, which were on page 2, after line 3, insert:

SEC. 2. Upon the naturalization of Mrs. Joyce Mark Bouvier, as provided for in the Act, her child, Paula Bouvier, shall be held and considered to be a national and citizen of the United States pursuant to section 301(a)(7) of the Immigration and Nationality Act, subject to the provisions of section 301(b) of the said Act.

And to amend the title so as to read: "An Act for the relief of Mrs. Joyce Mark Bouvier and Paula Bouvier."

Mr. DIRKSEN. Mr. President, on June 11, 1963, the Senate passed S. 1014, to provide for restoration of U.S. citizenship to the beneficiary.

On December 17, 1963, the House of Representatives passed S. 1014, with amendments to provide that the youngest child of the beneficiary shall acquire U.S. citizenship upon the naturalization of her mother.

The amendments are acceptable, and I move that the Senate concur in the House amendments to S. 1014.

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

The motion was agreed to.

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICHIGAN

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 791, S. 792.

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

The LEGISLATIVE CLERK. A bill (S. 792) to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 11, after the word "water", to strike out "depicted on the map identified as numbered NS–SBD 7000, 'Proposed Sleeping Bear Dunes National Seashore', dated June 15, 1961, which is on file and available for public inspection in the office of the National Park Service of the Department of the Interior," and insert "described in section 12 of this Act and generally depicted in a map identified as NPS–101–SB which is on file in the office of the National Park Service of the Department of the Interior,"; in line 20, after the word "Lakeshore.", to strike out "An exact copy of such map shall be filed for publication in the Federal Register within thirty days following the date of enactment of this Act."; on page 5, line 4, after the word "Secretary,", to strike out "with the approval of" and insert "after consultation with"; in line 8, after the word "and", to strike out "enjoyment. The Secretary shall, after consultation with such department," and insert "enjoyment and"; in line 11, after the word "section.", to strike out "The Secretary shall enter into agreement with the Michigan Department of Conservation providing for concurrent jurisdiction over the enforcement of the applicable hunting and fishing laws of Michigan."; on page 7, line 4, after the word "area", to strike out "depicted on the map referred to in section 2" and insert "defined in section 12"; in line 22, after the word "evidence,", to strike out "subject to the availability of funds,"; in line 24, after the word "value.", to strike out "In the event the owner and the Secretary cannot agree as to the fair market value, then, if the owner so requests, the United States district court, within whose jurisdiction such property is located, shall appoint three qualified persons who shall make an independent appraisal to determine the fair market value of such property and report such amount to the parties concerned and to the court. All costs of such appraisal shall be borne by the property owner."; on page 8, line 21, after the word "purchase.", to strike out "In the event the owner of such property and the Secretary cannot agree as to the fair market value of such property, then, if the owner so requests, the United States district court, within whose jurisdiction such property is situated, shall appoint three qualified persons who shall

make an independent appraisal to determine the fair market value of such property and report such amount to the parties concerned and to the court. All costs of such appraisal shall be borne by the United States. In any case in which condemnation proceedings (where authorized under this Act) are initiated by the Secretary, no condemnation shall be ordered by the court in connection with such proceedings, if the Secretary fails to demonstrate to the court by substantial evidence that (1) he has specific authority under this Act to initiate such condemnation proceedings, and (2) he has complied with the provisions of this subsection and all other applicable provisions of this Act. If condemnation is thereafter ordered by the court, the owner of such property so condemned shall be paid the fair market value thereof as determined by the court entering such order."; on page 10, line 20, after the word "property", to strike out "situated within an inland lakeshore residential area or improved property located within an" and insert "within the"; on page 11, line 1, after the word "any", to strike out "such" and insert "improved"; in line 5, after the word "of", where it appears the second time, to strike out "such" and insert "improved"; in line 8, after the word "any", to strike out "such" and insert "improved"; on page 13, line 15, after the word "any", to strike out "property" and insert "property, including improved property as defined in this Act,"; in line 17, after the word "within", to strike out "any inland lakeshore residential" and insert "the lakeshore"; in line 22, after the word "property", to strike out "lines;" and insert "lines."; at the beginning of line 22, to strike out "(5) provide that no moving, alteration, reconstruction, or enlargement of any improved property within the lakeshore area shall be permitted, if such moving, alteration, reconstruction, or enlargement would afford less than a 50-foot setback from all streets measured at a right angle with the street line, and 25-foot distance from the abutters' property lines, any" and insert "Any"; on page 14, at the beginning of line 14, to strike out "(6)" and insert "(5)"; in line 23, after the word "of", to insert "improved"; in line 24, after the word "within", to strike out "an inland lakeshore residential area or of improved property located within"; on page 16, line 5, after the word "before", to strike out "July 1, 1961," and insert "December 31, 1962,"; on page 17, after line 3, to strike out:

SEC. 12. (a) Inland lakeshore residential areas are established under this Act to stabilize and protect the existing character and uses of the properties within these areas in order to preserve the scenic vistas and shorelines around the inland lakes. Except as provided in section 9, the Secretary is prohibited from acquiring any property within the inland lakeshore residential areas by condemnation.

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

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

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

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 1

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

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 2

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

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 3

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

PLATTE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 4

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

LITTLE TRAVERSE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 1

Beginning at the point of intersection of the north shore of Little Traverse Lake with the north-south quarter section line of section 10, township 29 north, range 13 west, thence north along the north-south quarter section line a distance of 280 feet, more or less, to the north right-of-way of a public road encircling the north shore of Little Traverse Lake, thence easterly along the north right-of-way of said public road to point where it intersects the north-south quarter section line of section 12, township 29 north, range 13 west, thence west to the shore of Little Traverse Lake, thence westerly along the north shore of Little Traverse Lake to point of beginning.

LITTLE TRAVERSE LAKE INLAND LAKESHORE RESIDENTIAL AREA NUMBERED 2

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

the north-south quarter section line to its intersection with the east-west quarter section line, thence west on the east-west quarter section line to the west line of section 14, thence north on the west line of section 14 to the south shore of Little Traverse Lake to point of beginning.

GLEN LAKE INLAND LAKESHORE RESIDENTIAL AREA

Section 31, township 29 north, range 13 west

Beginning at the intersection of the south line of section 31 with the east right-of-way of County Highway 675, thence northerly along east right-of-way of County Highway 675 to the point of intersection with the west line of the southeast quarter of fractional northwest quarter, thence due north 880 feet more or less along the west sixteenth longitudinal line to the south right-of-way of a road running northeasterly across the northeast quarter of fractional northwest quarter, thence along south right-of-way to a point 100 feet west of the north-south quarter section line, thence north to the north line of section 31, thence west along the north section line, section 31 to point of intersection with the east right-of-way of County Highway 675.

Section 30, township 29 north, range 13 west

Thence along the east right-of-way of County Highway 675 across the extreme southwest corner of section 30, township 29 north, range 13 west.

Section 36, township 29 north, range 14 west

Thence continuing along east right-of-way of County Highway 675 across the extreme northeast corner of fractional section 36.

Section 25, township 29 north, range 14 west

Thence northerly along the east right-of way of County Highway 675 to the north line of section 25.

Section 24, township 29 north, range 14 west

Thence continuing northwesterly along the east right-of-way of County Highway 675 to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter southwest quarter of section 25, thence southerly along the north-south county road to the south line of section 24.

Section 25, township 29 north, range 14 west

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

Section 26, township 29 north, range 14 west

Thence continuing westerly along the north right-of-way of said county road from the east line of section 26 to a point where the north right-of-way intersects the north line Government lot 3 to section 26, township 29 north, range 14 west, thence west along north line of Government lot 3 to the west line of section 26, township 29 north, range 14 west.

Section 27, township 29 north, range 14 west

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

Section 34, township 29 north, range 14 west

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

Thence south 8 degrees 45 minutes west 131.9 feet, thence north 81 degrees 02 minutes west 335.0 feet, thence south 8 degrees 45 minutes west 100 feet, thence south 80 degrees 37 minutes west 149 feet, thence south 89 degrees 38 minutes west 225.0 feet, thence south 18 degrees 13 minutes west 235 feet, thence north 71 degrees 30 minutes west 45 feet, thence south 18 degrees 30 minutes west 450 feet, thence south 71 degrees 30 minutes east 400 feet, thence south to the south line Government lot 2, thence east on the south line of Government lot 2 to a point 418.35 feet east of Glen Lake on the south line of Government lot 2.

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

Section 3, township 28 north, range 14 west

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

Section 4, township 28 north, range 14 west, and section 33, township 29 north, range 14 west

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

Section 32, township 29 north, range 14 west

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

Section 29, township 29 north, range 14 west

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

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

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

Section 31, township 29 north, range 14 west

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

Section 32, township 29 north, range 14 west

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

Section 5, township 28 north, range 14 west

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

Section 4, township 28 north, range 14 west

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

Section 3, township 28 north, range 14 west

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

Section 10, township 28 north, range 14 west

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

Section 11, township 28 north, range 14 west

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

Section 12, township 28 north, range 14 west

Thence continuing east from the west line of section 12, township 28 north, range 14 west along the south right-of-way of County Road 616 to a point where the south right-of-way intersects the east-west quarter section line, thence continuing east to a point 2,090.0 feet east of northwest corner of the northwest quarter southwest quarter, thence north 5 degrees 02 minutes west to the south right-of-way of County Road 616, thence northeasterly along the south right-of-way of County Road 616 to a point where the south right-of-way bears north 11 degrees 22 minutes west, thence northerly along the east right-of-way of County Road 616 to the southwest corner of the village of Burdickville, thence north 52 degrees east along the south boundary of the village of Burdickville to the west right-of-way of Division Street, thence south 51 degrees east 22.0 feet, thence south 9 degrees west 244 feet, thence south 81 degrees east 165 feet, thence south 9 degrees west 20 feet, thence south 81 degrees east 148.5 feet, thence north 9 degrees east 264.0 feet to the south right-of-way of a public road, thence north 81 degrees west 148.5 feet along south right-of-way of said public road, thence northerly to a point on the north right-of-way directly opposite the point on the south right-of-way, thence north 112 feet to a point which is 257.7 feet east of the east right-of-way of Division Street on the north line of section 12, township 28 north, range 14 west.

Section 1, township 28 north, range 14 west

Thence beginning at a point 380.08 feet west of the southeast corner of Government lot 2, section 1, township 28 north, range 14 west, thence north 13.13 feet, thence north 42 degrees 35 minutes west to the south right-of-way of County Road 675, thence northeasterly along the south right-of-way of County Road 675 to its intersection with lot numbered 18 of "Billmans Pioneer Park", thence south 117.5 feet, thence continuing northeasterly along the south lines of lots numbered 18 to numbered 1 of "Billmans Pioneer Park" to a point of intersection with the east line of Government lot 2, section 1, township 28 north, range 14 west.

Section 6, township 28 north, range 13 west

Thence north 48 degrees east 110 feet, thence north 42 degrees west 115 feet, to west line of section 6, thence north along west section line to the east right-of-way of County Highway 675, thence northeasterly along County Highway 675 to the north line of section 6, township 28 north, range 13 west, and point of beginning.

And, in lieu thereof, to insert:

SEC. 12. The Sleeping Bear Dunes National Lakeshore shall consist of the following described areas together with adjacent waters:

SOUTH MANITOU ISLAND

(a) All of an island in Lake Michigan officially designated as South Manitou Island lying in townships 30 and 31 north, range 15 west, and adjacent waters for one-quarter mile offshore.

GOOD HARBOR—SLEEPING BEAR BAY AREA

(b) Beginning on the shore of Lake Michigan at the northern line of section 6, township 29 north, range 12 west, and continuing east along said line to the east line of said section and thence south along the said east boundary to the south boundary of said section, thence west along said boundary to the north-south quarter section line of section 7, township 29 north, range 12 west,

thence south along said quarter section line to the east-west quarter section line of said section, thence west along said quarter section line and east-west quarter section line of section 12, township 29 north, range 13 west to the north right-of-way of a public road following the north shore of Little Traverse Lake,

thence in a general westerly direction along said right-of-way to the north-south quarter-quarter section line of the southwest quarter of section 10, township 29 north, range 13 west, thence south to the northeast corner of the northwest quarter of the northwest quarter of section 22, township 29 north, range 13 west,

thence west along the north boundary of said section to the northwest corner of the section, thence south along the west boundary of said section to the east-west quarter-quarter line of the northeast quarter of section 21, township 29 north, range 13 west,

thence west to the west boundary of said section, thence north to the northeast corner of section 17, township 29 north, range 13 west, thence west to the northwest corner of section 18, township 29 north, range 13 west, thence south to the southeast corner of section 24, township 29 north, range 14 west,

thence west along the south boundary of said section to the east right-of-way of county highway 675, thence continuing northwesterly along said right-of-way to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter, southwest quarter of section 24,

thence southerly along the said right-of-way to the south line of section 24, thence west to the north-south quarter-quarter section line of the southwest quarter of section 23, township 29 north, range 14 west, thence north to the east-west quarter-quarter section line of said quarter section, thence east to the north-south quarter section line of said section.

thence north to the south boundary of section 14, township 29 north, range 14 west, thence east along said south boundary to the north-south quarter-quarter section line of the southeast quarter of said section,

thence north to the east-west quarter-quarter section line of the northeast quarter of said section, thence west 660 feet, thence north to the north boundary of said section, thence west along said boundary to the shore of Lake Michigan,

thence offshore one quarter mile perpendicular to the shore, thence along said shore in a general easterly direction at a distance of one quarter mile perpendicular to the shore to a point one quarter mile offshore perpendicular of the point of beginning, thence in a straight line to the point of beginning.

PLATTE BAY AREA

(c) Beginning on the shore of Lake Michigan at the northern line of section 6, township 29 north, range 12 west, and continuing east along said line to the east line of said section and thence south along the said east boundary to the south boundary of said section,

thence west along said boundary to the north-south quarter section line of section 7, township 29 north, range 12 west, thence south along said quarter section line to the east-west quarter section line of said section,

thence west along said quarter section line and east-west quarter section line of section 12, township 29 north, range 13 west to the north right-of-way of a public road following the north shore of Little Traverse Lake,

thence in a general westerly direction along said right-of-way to the north-south quarter-quarter section line of the southwest quarter of section 10, township 29 north, range 13 west, thence south to the northeast corner of the northwest quarter of the northwest quarter of section 22, township 29 north, range 13 west,

thence west along the north boundary of said section to the northwest corner of the section, thence south along the west boundary of said section to the east-west quarter-quarter line of the northeast quarter of section 21, township 29 north, range 13 west,

thence west to the west boundary of said section, thence north to the northeast corner of section 17, township 29 north, range 13 west, thence west to the northwest corner of section 18, township 29 north, range 13 west, thence south to the southeast corner of section 24, township 29 north, range 14 west, thence west along the south boundary of said section to the east right-of-way of county highway 675,

thence continuing northwesterly along said right-of-way to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter southwest quarter of section 24,

thence southerly along the said right-of-way to the south line of section 24 thence west to the north-south quarter-quarter section line of the southwest quarter of section 23, township 29 north, range 14 west, thence north to the east-west quarter-quarter section line of said quarter section, thence east to the north-south quarter section line of said section,

thence north to the south boundary of section 14, township 29 north, range 14 west, thence east along said south boundary to the north-south quarter-quarter section line of the southeast quarter of said section,

thence north to the east-west quarter-quarter section line of the northeast quarter of said section, thence west 660 feet, thence north to the north boundary of said section, thence west along said boundary to the shore of Lake Michigan, thence offshore one-quarter mile perpendicular to the shore,

thence along said shore in a general easterly direction at a distance of one-quarter mile perpendicular to the shore to a point one-quarter mile offshore perpendicular of

the point of beginning, thence in a straight line to the point of beginning.

Beginning on the shore of Lake Michigan at a point 1,491 feet due east of the west boundary of section 21, township 29 north, range 14 west and running south to the south boundary of said section, thence running east to north-south quarter-quarter section line of the northwest quarter section of section 27, township 29 north, range 14 west,

thence south to the east-west quarter-quarter section line of said quarter section, thence east to the west right-of-way of monument 22, thence south along said west right-of-way to the north line of section 34, township 29 north, range 14 west,

thence west along the north line of section 34 to a point which is 400 feet west of the northeast corner of Government lot 1, section 34, township 29 north, range 14 west, thence south 200 feet, thence west 430 feet, thence south 805 feet,

thence west 485 feet more or less to the west line of Government lot 1, thence south on the west line of Government lot 1 to the southwest corner of Government lot 1, thence east 144 feet more or less to a point 661.49 feet west of the northeast corner of Government lot 2, section 55, township 29 north, range 14 west,

thence south 8 degrees 45 minutes west 131.9 feet, thence north 81 degrees 02 minutes west 335.0 feet, thence south 8 degrees 45 minutes west 100 feet, thence south 30 degrees 37 minutes west 149 feet, thence south 89 degrees 38 minutes west 225.0 feet,

thence south 18 degrees 13 minutes west 235 feet, thence north 71 degrees 30 minutes west 45 feet, thence south 18 degrees 30 minutes west 450 feet,

thence south 71 degrees 30 minutes east 400 feet, thence south to the south line of Government lot 2, thence east on the south line of Government lot 2 to a point 418.35 feet east of Glen Lake on the south line of Government lot 2,

thence south 15 degrees 43 minutes west 100 feet, thence west 50 feet, thence south 2 degrees 59 minutes west 1,100.12 feet, thence west 43.1 feet, thence south 200 feet, thence west 50 feet, thence south 775 feet, thence west 225 feet, thence south 434 feet to the south line of section 34, township 29 north, range 14 west,

thence west along the south line of section 34 to the east line of section 4, thence south along said east line to the north right-of-way of Forest Glen Road,

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

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

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

thence westerly and southerly along the shore of Glen Lake to a point 664.77 feet east and 1,308.75 feet north of the southwest corner of Government lot 1, section 29, township 29 north, range 14 west, thence north 89 degrees 39 minutes west 236.33 feet to the east right-of-way of Michigan Highway 109,

thence southerly along the east right-of-way to a stake on the east right-of-way of monument 109 located north 345.5 feet and north 89 degrees 12 minutes east 1,190 feet from the northwest corner of Government lot 1, section 31, township 29 north, range 14 west,

thence from stake on east right-of-way of monument 109 north 89 degrees 12 minutes east 229.5 feet, thence south 18 degrees 03 minutes west 400.0 feet,

thence south 89 degrees 12 minutes west 1,242.0 feet to the west line of Government lot 1, section 31, township 29 north, range 14 west, thence south along the west lines of Government lots 1, 2, and 3, section 31, to the southwest corner of Government lot 3,

thence east on south line of Government lot 3 to the west right-of-way of monument 109, thence southeasterly along the west right-of-way to its intersection with the north line of section 5, township 28 north, range 14 west, thence east along the north line of section 5 to the northeast corner of the northwest quarter of the northwest quarter of section 5,

thence by a straight line in a southeasterly direction to the intersection of the east line of section 5, township 28 north, range 14 west, and the south right-of-way of a public road lying on the south line of Government lot 5,

thence east along south right-of-way of said public road to its intersection with Michigan Highway 22, thence east across monument 22 to the south right-of-way, thence northeasterly along monument 22 to a point 476.5 feet west and 1,519.0 feet north of the southeast corner of the southeast quarter of the southwest quarter of section 4,

thence south 400 feet, thence east 476.5 feet, thence north on the east line of the southeast quarter southwest quarter, section 4, to a point of intersection with the south sixteenth latitudinal line,

thence east on the south sixteenth latitudinal line to a point on the west boundary of a cemetery which point is north 89 degrees west 222.75 feet from the intersection of the south sixteenth latitudinal line with the east line of section 4,

thence south to the southwest corner of said cemetery, thence south 89 degrees east 222.75 feet to the west line of section 4, thence continuing east on the same bearing 33 feet more or less to east right-of-way of a public highway,

thence north to a point 554.2 feet south and 33 feet east of the meader corner at the north end of the west line of section 3, township 28 north, range 14 west, thence east 233.0 feet, thence north 374.14 feet to centerline of a public highway, thence south 69 degrees 55 minutes east 49.01 feet,

thence north 0 degree 47 minutes west 11.3 feet, thence east to north right-of-way of said public highway, thence southeasterly along north right-of-way of said highway to its intersection with the south right-of-way of a private road listed on the plot of McFarlane Woods numbered 2 as Beech Tree Road,

thence southeasterly along the south right-of-way of Beech Tree Road to the northeast corner of lot numbered 14 of McFarlane Woods numbered 2, thence north 37 degrees 24 minutes east to the shore of Glen Lake, thence southeasterly along the shore of Glen Lake to a point 1,850 feet due east of the west line of section 11,

thence south to the east-west quarter section line of section 14, thence west to the north-south quarter section line of section 18, thence south to the north line of section 19, thence west along north line of section 19 approximately 1,200 feet to a point north of northeast corner of Empire corporate line,

thence south approximately 1,300 feet to the northeast corner of Empire corporate line, thence west along said corporate line approximately 1,800 feet to the east shoreline of South Bar Lake, thence meandering in a general southwesterly direction along shoreline approximately 1,500 feet to a point,

thence south approximately 3,600 feet to a point along the corporate boundary line, thence east approximately 2,300 feet to the southeast corner of said corporate line, thence north to the north line of section 30, township 28 north, range 14 west, thence east to the north-south quarter-quarter section line of the northeast quarter section of said section.

thence south to the east-west quarter-quarter section line of said section, thence east to the east line of said section, thence south to the southeast corner of said section, thence west to the north-south quarter section line of section 31, thence south to the north line of section 18, township 27 north, range 14 west,

thence east to the north-south quarter-quarter section line of the northeast quarter of said section, thence south to the east-west quarter-quarter section line of the northeast quarter of section 19,

thence west to a point 500 feet perpendicular to, in a general easterly direction, monument numbered 22 and continuing along 500 feet from monument numbered 22 in a general westerly direction to a point 1,500 feet west of the east line of section 31, township 27 north, range 15 west, thence north to the southerly right-of-way of monument numbered 22,

thence westerly along said right-of-way to the north-south quarter-quarter section line of the northeast quarter of section 36, township 27 north, range 16 west, thence south to the east-west quarter section line of said section, thence east to the shore of Long Lake, thence southeasterly along the shore to the east line of said section.

thence south to a point 1,000 feet south of the south line of said section, thence west to the west line of section 1, township 26 north, range 16 west, thence north to the shore of Lake Michigan, thence perpendicular to the shore one-quarter mile,

thence following along the shore at a perpendicular distance of one-quarter mile to a point one-quarter mile offshore perpendicular to the point of beginning, thence in a straight line to a point of beginning.

SCENIC PARKWAY

(d) In order to facilitate visitor travel, provide scenic overlooks for public enjoyment and interpretation of the national lakeshore and related features, and in order to enhance recreational opportunities, the Secretary is authorized to construct and administer as a part of the national lakeshore scenic roads of parkway standards generally located in accordance with the parkway zone designated on map numbered NPS–101–SB. Such scenic roads shall include necessary connections, bridges, and other structural utilities. Notwithstanding any other provision of this Act, the Secretary may procure for this purpose land, or interest therein, by donation, purchase with appropriated or donated funds, or otherwise: *Provided,* That land and interests so procured shall not exceed one hundred and fifty acres per mile of scenic road, except that tracts may be procured in their entirety in order to avoid severances. Property so acquired in excess of the acreage limitation provided in this section may be exchanged by the Secretary for any land of approximately equal value authorized for acquisition by this Act.

On page 48, line 11, after the word "on", to strike out "July 1, 1961," and insert "December 31, 1962,"; on page 49, line 2, after the word "such", to strike out "sums" and insert "sums, not to exceed $4,750,000,", and in line 3, after the word "necessary", to strike out "to carry out the provisions of this Act" and insert "for acquisition of properties under the provisions of this Act"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of

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

(b) In preserving the lakeshore and stabilizing its development, substantial reliance shall be placed on cooperation between Federal, State, and local governments to apply sound principles of land use planning and zoning. In developing the lakeshore full recognition shall be given to protecting the private properties for the enjoyment of the owners.

SEC. 2. The area comprising that particular land and water described in section 12 of this Act and generally depicted in a map identified as NPS–101–SB which is on file in the office of the National Park Service of the Department of the Interior, is hereby designated for establishment as the Sleeping Bear Dunes National Lakeshore.

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

SEC. 4. (a) There is hereby established a Sleeping Bear Dunes National Lakeshore Advisory Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 8. (a) The Secretary is authorized, subject to the limitation, conditions, and restrictions imposed by this Act, to acquire the land, water, and other property, and improvements thereon, and any interests therein (including easements) comprising the area defined in section 12 of this Act by donation, purchase with donated or appropriated fuds, transfer from any Federal agency, exchange, or condemnation; except that such authority to acquire by condemnation shall be exercised only in the manner and to the extent specifically authorized in this Act.

(b) In exercising his authority to acquire property under this Act, the Secretary shall give immediate and careful consideration to any offer made by an individual owning property within the lakeshore to sell such property to the Secretary. In any case in which an individual owning property within the lakeshore submits evidence to the Secretary that the continued ownership by such individual of that property would result in hardship to him, the Secretary shall immediately consider such evidence and, if he determines on the basis of that evidence that a hardship would so result, he shall, within the one year following the submission of such evidence, subject to the availability of funds, purchase such property if offered for a price which does not exceed its fair market value.

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

(d) With respect to that property which the Secretary is authorized to acquire by condemnation under the terms of this Act, the Secretary shall initiate no condemnation proceedings until after he has made every reasonable effort to acquire such property by negotiation and purchase.

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

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

SEC. 9. (a) The Secretary shall, at the request of any township or county in or adjacent to the lakeshore affected by this Act, assist and consult with the appropriate officers and employees of such township or county in estabilishing zoning bylaws for the purpose of this Act. Such assistance may include payments to the county or township for technical aid.

(b) No property within the area designated for inclusion in the lakeshore shall be acquired by the Secretary by condemnation during the one-year period following the date of enactment of this Act. Thereafter the Secretary shall be prohibited from acquiring by condemnation any improved property so long as the affected county or township has in force and applicable thereto a duly adopted, valid zoning bylaw approved by the Secretary in accordance with the provisions of subsection (d) of this section and the use of improved property is in compliance therewith. In the event that the affected county or township does not have in effect and applicable to any improved property a duly adopted, valid zoning bylaw so approved, the Secretary shall be prohibited from acquiring such property by condemnation, if the owner thereof notifies the Secretary in writing of such owners' agreement to use his property in a manner consistent with the applicable standard set forth in subsection (d) of this section, and such prohibition against condemnation shall remain in effect for so long as such property is so used.

(c) If the Secretary determines that any such property referred to in subsection (b) of this section covered by any such bylaw is being used in a way which is not in substantial compliance with such bylaw, or that any such property referred to in subsection (b) with respect to which an agree-

ment has been made is being used in a manner which is not substantially consistent with such applicable standards, he shall so notify the owner of any such property in writing. Such notice shall contain a detailed statement as to why the Secretary believes that such use is not in substantial compliance with such zoning bylaw or why such use is not substantially consistent with such applicable standards, as the case may be. Any such owner shall have sixty days following the receipt by him of that written notification within which to discontinue the use referred to in such notification. Discontinuance of such use within such sixty-day period shall have the effect of prohibiting the Secretary from acquiring such property by condemnation by reason of such use. In any case in which such use is not discontinued within such sixty-day period and condemnation proceedings are thereafter initiated by the Secretary, no condemnation shall be ordered in any such proceedings if the Secretary fails to demonstrate to the court by substantial evidence that such a use was not in substantial compliance with such bylaw or was not substantially consistent with such applicable standards.

(d) Any zoning bylaw or amendment thereto submitted to the Secretary for approval for the purposes of this Act shall be approved by him if such bylaw or amendment contains provisions which—

(1) contribute to the effect of prohibiting the commercial and industrial use (other than a use for a commercial purpose as authorized under section 13 of this Act) of all property within the boundaries of such area which is situated within the county or township adopting such bylaw or amendment;

(2) are consistent with the objectives and purposes of this Act so that, to the extent possible under Michigan law, the scenic and scientific values of the lakeshore area will be protected;

(3) are designed to preserve the lakeshore character of the area by appropriate restrictions upon the burning of cover, cutting of timber (except tracts managed for sustained yield), removal of sand or gravel, and dumping, storage, or piling of refuse and other unsightly objects or other uses which would detract from the natural or traditional lakeshore scene;

(4) provide that no construction, reconstruction, moving, alteration, or enlargement of any property, including improved property as defined in this Act, within the lakeshore area shall be permitted, if such construction, reconstruction, moving, alteration, or enlargement would afford less than a 50-foot setback from all streets measured at a right angle with the street line, and a 25-foot distance from the abutters' property lines.

Any owner or zoning authority may request the Secretary of the Interior to determine whether a proposed move, alteration, construction, reconstruction, or enlargement of any such property would subject such property to acquisition by condemnation, and the Secretary, within sixty days of the receipt of such request, shall advise the owner or zoning authority in writing whether the intended use will subject the property to acquisition by condemnation; and

(5) have the effect of providing that the Secretary shall receive notice of any variance granted under and of exception made to the application of such bylaw or amendment.

(e) The approval of any bylaw or amendment pursuant to subsection (d) shall not be withdrawn or revoked by the Secretary for so long as such bylaw or amendment remains in effect as approved. Any such bylaw or amendment so approved shall not be retroactive in its application.

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

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

SEC. 11. As used in this Act, the term "improved property" means a detached, one-family dwelling, construction of which was begun before December 31, 1962, together with so much of the land on which the dwelling is situated, such land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the lands so designated. The amount of the land so designated shall in every case be at least three acres in area, or all of such lesser acreage as may be held in the same ownership as the dwelling, and in making such designation the Secretary shall take into account the manner of noncommercial residential use in which the dwelling and land have customarily been enjoyed: *Provided, however,* That the Secretary may exclude from the land so designated any beach or waters on Lake Michigan, together with so much of the land adjoining any such beach or waters, as the Secretary may deem necessary for public access thereto. If the Secretary makes such exclusion, an appropriate buffer zone shall be provided between any residence and the public access or beach.

SEC. 12. The Sleeping Bear Dunes National Lakeshore shall consist of the following described areas together with adjacent waters:

SOUTH MANITOU ISLAND

(a) All of an island in Lake Michigan officially designated as South Manitou Island lying in townships 30 and 31 north, range 15 west, and adjacent waters for one-quarter mile offshore.

GOOD HARBOR—SLEEPING BEAR BAY AREA

(b) Beginning on the shore of Lake Michigan at the northern line of section 6, township 29 north, range 12 west, and continuing east along said line to the east line of said section and thence south along the said east boundary to the south boundary of said section, thence west along said boundary to the north-south quarter section line of section 7, township 29 north, range 12 west,

thence south along said quarter section line to the east-west quarter section line of said section, thence west along said quarter section line and east-west quarter section line of section 12, township 29 north, range 13 west to the north right-of-way of a public road following the north shore of Little Traverse Lake,

thence in a general westerly direction along said right-of-way to the north-south quarter-quarter section line of the southwest quarter of section 10, township 29 north, range 13 west, thence south to the northeast corner of the northwest quarter of the northwest quarter of section 22, township 29 north, range 13 west,

thence west along the north boundary of said section to the northwest corner of the section, thence south along the west boundary of said section to the east-west quarter-quarter line of the northeast quarter of section 21, township 29 north, range 13 west,

thence west to the west boundary of said section, thence north to the northeast corner of section 17, township 29 north, range 13 west, thence west to the northwest corner of section 18, township 29 north, range 13 west, thence south to the southeast corner of section 24, township 29 north, range 14 west,

thence west along the south boundary of said section to the east right-of-way of county highway 675, thence continuing northwesterly along said right-of-way to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter, southwest quarter of section 24,

thence southerly along the said right-of-way to the south line of section 24, thence west to the north-south quarter-quarter section line of the southwest quarter of section 23, township 29 north, range 14 west, thence north to the east-west quarter-quarter section line of said quarter section, thence east to the north-south quarter section line of said section,

thence north to the south boundary of section 14, township 29 north, range 14 west, thence east along said south boundary to the north-south quarter-quarter section line of the southeast quarter of said section,

thence north to the east-west quarter-quarter section line of the northeast quarter of said section, thence west 660 feet, thence north to the north boundary of said section, thence west along said boundary to the shore of Lake Michigan,

thence offshore one-quarter mile perpendicular to the shore, thence along said shore in a general easterly direction at a distance of one-quarter mile perpendicular to the shore to a point one-quarter mile offshore perpendicular of the point of beginning, thence in a straight line to the point of beginning.

PLATTE BAY AREA

(c) Beginning on the shore of Lake Michigan at the northern line of section 6, township 29 north, range 12 west, and continuing east along said line to the east line of said section and thence south along the said east boundary to the south boundary of said section,

thence west along said boundary to the north-south quarter section line of section 7, township 29 north, range 12 west, thence south along said quarter section line to the east-west quarter section line of said section,

thence west along said quarter section line and east-west quarter section line of section 12, township 29 north, range 13 west to the north right-of-way of a public road following the north shore of Little Traverse Lake,

thence in a general westerly direction along said right-of-way to the north-south quarter-quarter section line of the southwest quarter of section 10, township 29 north, range 13 west, thence south to the northeast corner of the northwest quarter of the northwest quarter of section 22, township 29 north, range 13 west,

thence west along the north boundary of said section to the northwest corner of the

section, thence south along the west boundary of said section to the east-west quarter-quarter line of the northeast quarter of section 21, township 29 north, range 13 west,

thence west to the west boundary of said section, thence north to the northeast corner of section 17, township 29 north, range 13 west, thence west to the northwest corner of section 18, township 29 north, range 13 west, thence south to the southeast corner of section 24, township 29 north, range 14 west, thence west along the south boundary of said section to the east right-of-way of county highway 675,

thence continuing northwesterly along said right-of-way to the projected intersection of the west right-of-way of a north-south county road in the northwest quarter southwest quarter of section 24,

thence southerly along the said right-of-way to the south line of section 24 thence west to the north-south quarter-quarter section line of the southwest quarter of section 23, township 29 north, range 14 west, thence north to the east-west quarter-quarter section line of said quarter section, thence east to the north-south quarter section line of said section,

thence north to the south boundary of section 14, township 29 north, range 14 west, thence east along said south boundary to the north-south quarter-quarter section line of the southeast quarter of said section,

thence north to the east-west quarter-quarter section line of the northeast quarter of said section, thence west 660 feet, thence north to the north boundary of said section, thence west along said boundary to the shore of Lake Michigan, thence offshore one-quarter mile perpendicular to the shore,

thence along said shore in a general easterly direction at a distance of one-quarter mile perpendicular to the shore to a point one-quarter mile offshore perpendicular of the point of beginning, thence in a straight line to the point of beginning.

Beginning on the shore of Lake Michigan at a point 1,491 feet due east of the west boundary of section 21, township 29 north, range 14 west and running south to the south boundary of said section, thence running east to north-south quarter-quarter section line of the northwest quarter section of section 27, township 29 north, range 14 west,

thence south to the east-west quarter-quarter section line of said quarter section, thence east to the west right-of-way of monument 22, thence south along said west right-of-way to the north line of section 34, township 29 north, range 14 west.

thence west along the north line of section 34 to a point which is 400 feet west of the northeast corner of Government lot 1, section 34, township 29 north, range 14 west, thence south 200 feet, thence west 430 feet, thence south 805 feet.

thence west 485 feet more or less to the west line of Government lot 1, thence south on the west line of Government lot 1 to the southwest corner of Government lot 1, thence east 144 feet more or less to a point 661.49 feet west of the northeast corner of Government lot 2, section 55, township 29 north, range 14 west.

thence south 8 degrees 45 minutes west 131.9 feet, thence north 81 degrees 02 minutes west 335.0 feet, thence south 8 degrees 45 minutes west 100 feet, thence south 30 degrees 37 minutes west 149 feet, thence south 89 degrees 38 minutes west 225.0 feet,

thence south 18 degrees 13 minutes west 235 feet, thence north 71 degrees 30 minutes west 45 feet, thence south 18 degrees 30 minutes west 450 feet,

thence south 71 degrees 30 minutes east 400 feet, thence south to the south line of Government lot 2, thence east on the south line of Government lot 2 to a point 418.35 feet east of Glen Lake on the south line of Government lot 2,

thence south 15 degrees 43 minutes west 100 feet, thence west 50 feet, thence south 2 degree 59 minutes west 1,100.12 feet, thence west 43.1 feet, thence south 200 feet, thence west 50 feet, thence south 775 feet, thence west 225 feet, thence south 434 feet to the south line of section 34, township 29 north, range 14 west,

thence west along the south line of section 34 to the east line of section 4, thence south along said east line to the north right-of-way of Forest Glen Road,

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

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

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

thence westerly and southerly along the shore of Glen Lake to a point 664.77 feet east and 1,308.75 feet north of the southwest corner of Government lot 1, section 29, township 29 north, range 14 west, thence north 89 degrees 39 minutes west 236.33 feet to the east right-of-way of Michigan Highway 109,

thence southerly along the east right-of-way to a stake on the east right-of-way of monument 109 located north 345.5 feet and north 89 degrees 12 minutes east 1,190 feet from the northwest corner of Government lot 1, section 31, township 29 north, range 14 west,

thence from stake on east right-of-way of monument 109 north 89 degrees 12 minutes east 229.5 feet, thence south 18 degrees 03 minutes west 400.0 feet,

thence south 89 degrees 12 minutes west 1,242.0 feet to the west line of Government lot 1, section 31, township 29 north, range 14 west, thence south along the west lines of Government lots 1, 2, and 3, section 31 to the southwest corner of Government lot 3,

thence east on south line of Government lot 3 to the west right-of-way of monument 109, thence southeasterly along the west right-of-way to its intersection with the north line of section 5, township 28 north, range 14 west, thence east along the north line of section 5 to the northeast corner of the northwest quarter of the northwest quarter of section 5,

thence by a straight line in a southeasterly direction to the intersection of the east line of section 5, township 28 north, range 14 west, and the south right-of-way of a public road lying on the south line of Government lot 5,

thence east along south right-of-way of said public road to its intersection with Michigan Highway 22, thence east across monument 22 to the south right-of-way, thence northeasterly along monument 22 to a point 476.5 feet west and 1,519.0 feet north of the southeast corner of the southeast quarter of the southwest quarter of section 4,

thence south 400 feet, thence east 476.5 feet, thence north on the east line of the southeast quarter southwest quarter, section 4, to a point of intersection with the south sixteenth latitudinal line,

thence east on the south sixteenth latitudinal line to a point on the west boundary of a cemetery which point is north 89 degrees west 222.75 feet from the intersection of the south sixteenth latitudinal line with the east line of section 4.

thence south to the southwest corner of said cemetery, thence south 89 degrees east 222.75 feet to the west line of section 4, thence continuing east on the same bearing 33 feet more or less to east right-of-way of a public highway,

thence north to a point 554.2 feet south and 33 feet east of the meander corner at the north end of the west line of section 3, township 28 north, range 14 west, thence east 233.0 feet, thence north 374.14 feet to centerline of a public highway, thence south 69 degrees 55 minutes east 49.01 feet,

thence north 0 degree 47 minutes west 11.3 feet, thence east to north right-of-way of said public highway, thence southeasterly along north right-of-way of said highway to its intersection with the south right-of-way of a private road listed on the plot of McFarlane Woods numbered 2 as Beech Tree Road,

thence southeasterly along the south right-of-way of Beech Tree Road to the northeast corner of lot numbered 14 of McFarlane Woods numbered 2, thence north 37 degrees 24 minutes east to the shore of Glen Lake, thence southeasterly along the shore of Glen Lake to a point 1,850 feet due east of the west line of section 11,

thence south to the east-west quarter section line of section 14, thence west to the north-south quarter section line of section 18, thence south to the north line of section 19, thence west along north line of section 19 approximately 1,200 feet to a point north of northeast corner of Empire corporate line,

thence south approximately 1,300 feet to the northeast corner of Empire corporate line, thence west along said corporate line approximately 1,800 feet to the east shoreline of South Bar Lake, thence meandering in a general southwesterly direction along shoreline approximately 1,500 feet to a point,

thence south aproximately 3,600 feet to a point along the corporate boundary line, thence east approximately 2,300 feet to the southeast corner of said corporate line, thence north to the north line of section 30, township 28 north, range 14 west, thence east to the north-south quarter-quarter section line of the northeast quarter section of said section,

thence south to the east-west quarter-quarter section line of said section, thence east to the east line of said section, thence south to the southeast corner of said section, thence west to the north-south quarter section line of section 31, thence south to the north line of section 18, township 27 north, range 14 west,

thence east to the north-south quarter-quarter section line of the northeast quarter of said section, thence south to the east-west quarter-quarter section line of the north-east quarter of section 19,

thence west to a point 500 feet perpendicular to, in a general easterly direction, monument numbered 22 and continuing along 500 feet from monument numbered 22 in a general westerly direction to a point 1,500 feet west of the east line of section 31, township 27 north, range 15 west, thence north to the southerly right-of-way of monument numbered 22.

thence westerly along said right-of-way to the north-south quarter-quarter section line of the northeast quarter of section 36, township 27 north, range 16 west, thence south to the east-west quarter section line of said section, thence east to the shore of Long Lake, thence southeasterly along the shore to the east line of said section,

thence south to a point 1,000 feet south of the south line of said section, thence west to the west line of section 1, township 26 north, range 16 west, thence north to the shore of Lake Michigan, thence perpendicular to the shore one-quarter mile,

thence following along the shore at a perpendicular distance of one-quarter mile to

a point one-quarter mile offshore perpendicular to the point of beginning, thence in a straight line to a point of beginning.

SCENIC PARKWAY

(d) In order to facilitate visitor travel, provide scenic overlooks for public enjoyment and interpretation of the national lakeshore and related features, and in order to enhance recreational opportunities, the Secretary is authorized to construct and administer as a part of the national lakeshore scenic roads of parkway standards generally located in accordance with the parkway zone designated on map numbered NPS–101–SB. Such scenic roads shall include necessary connections, bridges, and other structural utilities. Notwithstanding any other provision of this Act, the Secretary may procure for this purpose land, or interest therein, by donation, purchase with appropriated or donated funds, or otherwise: *Provided*, That land and interests so procured shall not exceed one hundred and fifty acres per mile of scenic road, except that tracts may be procured in their entirety in order to avoid severances. Property so acquired in excess of the acreage limitation provided in this section may be exchanged by the Secretary for any land of approximately equal value authorized for acquisition by this Act.

SEC. 13. In any case, not otherwise provided for in this Act, the Secretary shall be prohibited from condemning any commercial property used for commercial purposes in existence on December 31, 1962, so long as the use thereof would further the purposes of this Act, and such use does not impair the usefulness and attractiveness of the area designated for inclusion in the lakeshore. The following uses, among others, shall be considered to be uses compatible with the purposes of this Act: Commercial farms, orchards, motels, rental cottages, camps, craft and art studios, marinas, medical, legal, architectural, and other such professional offices, and tree farms.

SEC. 14. The Secretary shall furnish to any interested person requesting the same, a certificate indicating, with respect to any property which the Secretary has been prohibited from acquiring by condemnation in accordance with provisions of this Act, that such authority is prohibited and the reasons therefor.

SEC. 15. There are hereby authorized to be appropriated such sums, not to exceed $4,750,000, as may be necessary for acquisition of properties under the provisions of this Act.

THE LIGHTED DOME OF THE CAPITOL

Mr. MONRONEY. Mr. President, as the result of the landslide agreement to the conference report on the legislative appropriation bill, which was passed last night by a vote of 42 to 40, I should like to announce that for the first time in the Nation's history the dome of the Nation's Capitol will be lighted all night. Before World War I it was lighted until midnight. Then it was darkened during that period. It was lighted again until midnight as the result of economizing in connection with the purchase of exhibit cases for the basement of the Capitol.

We have been able to provide $4,500 so that somewhere in the world, preferably where liberty began, the Capitol of the United States will be lighted throughout the dark hours of the night, so that nations of half the world which seek the path to freedom and liberty will have a light to guide them to their destination.

HOUSING FOR LOW-INCOME FAMILIES

Mr. SPARKMAN. Mr. President, one of the big problems in home building has always been trying to find a program whereby the lower middle income people are able to own or rent housing which is within their income.

At the present time there is being conducted at Tulsa, Okla., a very interesting project. It is described in the Journal of Homebuilding for December 1963. The article is entitled "FHA Insuring Tulsa Project for Low-Income Families."

It makes very interesting reading. I hope it may serve as a pilot project which will give us at least a part of the answer to this perplexing problem. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

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

FHA INSURING TULSA PROJECT FOR LOW-INCOME FAMILIES

FHA is insuring the Tulsa, Okla., demonstration project to move low-income families into new homes on a rental basis until they put into escrow enough money for a down payment to buy. The occupancy-purchase program, which was conceived about 2 years ago, will run for 5 years.

Purpose is to determine if low-income families will assume the responsibilities of homeownership if given the opportunity.

The plan is to build 100 three-bedroom detached homes with brick veneer exteriors and one-car garages, valued at $9,300. They will be built 25 at a time, making FHA's initial commitment $225,000 in insurance. Families will be drawn mostly from urban redevelopment areas and only those with incomes of $175 to $300 a month are eligible.

Principals in the Tulsa plan are the city of Tulsa, the Tulsa HBA, HHFA, FHA, and FNMA. The lending firm of Richard G. Hughes, an NAHB past president, will make the construction loan. Hughes, of Fort Worth, Tex., was instrumental in launching the plan. The Tulsa HBA has formed a nonprofit corporation called Home Builders Demonstration, Inc., which will build, own, operate, and sell the units on property already acquired in an urban-renewal area. The builders will be L. R. (Andy) Latch, Ramon L. King, and Don L. Herrington.

The three builders will receive the normal profit which is typical when a nonprofit corporation is the sponsor.

Here is how the Tulsa program will work: FHA will insure the project first under a rental program and then under a sales program as the tenants are able to buy. After the project is built under the conventional loan, Fannie Mae will buy the mortgage and the interest rate will be reduced to 3⅛ percent under the 221(d)(3) rental program. Although the current interest rate under this program is 3⅜ percent, the allocation was made by Fannie Mae before the rate was changed.

As renters accumulate enough money to buy, their units will be refinanced under 221(d)(2), which is a sales program for low-income families and allows a 5¼ percent interest rate. Fannie Mae will keep these mortgages. The mortgage term under both the FHA programs will be 40 years.

Rents will be $49.87 a month. This includes $9.75 in taxes, $2.50 for insurance, a partial allowance for maintenance of $6, and a management fee of $2. The remaining $29.62 will go for principal and interest. Only 20 percent of a family's income will go for rent. This means that some families won't have enough rent money but others would be able to afford even higher rent. For example, a family whose total income is $175 a month could pay only $35 a month. This is where HHFA's special fund for its low-income demonstration program comes in. HHFA will make up the difference of $14.87.

However, if a family's total income is $300 a month, it could afford about $60 a month, or 20 percent of its income. In this case the family pays its $49.97 rent, and the rest of the 20 percent goes into a special fund toward the downpayment. When a family has enough money in escrow for a downpayment, it must either buy or leave the project. If it does not buy, its money in escrow goes to reduce the overall project mortgage.

To help HHFA plan expenditures, it was decided to qualify families with an average monthly income of $250. Families will be sought under the following breakdown: 10 percent making $300; 15 percent making $275; 20 percent making $250; 20 percent making $225; 25 percent making $200; and 10 percent making $175 (these are approximate incomes). During the 5 years of the program, at the income levels figured, it is estimated that HHFA will not spend more than $136,000.

At $300 a month income, it would take about 30 months for a family to accumulate in escrow enough to buy. At $275 a month, it woud take 60 months. But below $275, income will have to be increased before families can qualify to buy under 221(d)(2). Notable is the fact that the top income for families moving into the propect is $3,600. Under a normal 221(d)(3) in Tulsa, the maximum incomes for families are as follows: Two-person family, $5,550; three and four persons, $6,500; five and six persons, $7,500; and seven or more persons, $8,450.

As families gradually qualify to buy, Home Builders Demonstration will close individual loans and the former tenants will become homeowners. The 221(d)(2) sales mortgages will be transferred by Fannie Mae from its project mortgage account to its home mortgage account.

Part of each month's rent will go to reducing the project mortgage. This means that when the tenant buys the unit he will get the advantage of the mortgage payments made by the nonprofit corporation. The monthly payment will be $59.27 under the sales program. (The main reason for the increase over the rental is the increase in the interest rate from 3⅛ percent under the rental program to 5¼ percent under the sales program.) If he starts buying after 4 years of renting, the buyer will pay off the mortgage in 36 years instead of 40. The $59.27 will include principal and interest at 5¼ percent, taxes, insurance, and the mortgage insurance fee FHA charges under its sales programs.

A GOOD YEAR FOR BOTH HOUSING AND U.S. ECONOMY

Mr. SPARKMAN. Mr. President, in the December 1963 issue of the Journal of the Home Building there appears an article entitled "Good Year Seen for Both Housing and U.S. Economy by NAHB Economists." I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

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

PLAN NOW FOR 1964: GOOD YEAR SEEN FOR BOTH HOUSING AND U.S. ECONOMY BY NAHB ECONOMISTS

A good year for housing and for the economy in general in 1964 is forecast by the NAHB economics department. The only

cloud on the horizon is the possible tightening of the mortgage money market sometime in the coming years.

There should be no changes now "or for some months to come," the NAHB Economic News Notes states, but the very fact of a strong and expanding economy might help cause a "firming of the interest rate some time next year." These factors were cited: (1) Pressure by business and industry for loanable funds; (2) high Government expenditures, increasing about $6 to $7 billion for Federal and $5 billion for State and local governments; (3) favorable outlook resulting in lesser savings and more spending; (4) smaller investors likely to return to stock market, thus drawing down savings; (5) restriction of dividend rates in many cases as a result of January 1 tightening of savings and loan regulations on distribution of fee income and reserve allocation.

There has been a slight decline in the saving rate recently, and lenders are less hungry for loans than at the first of the year, the report states. In a survey in March, only 8 percent of S. & L.'s reported not having enough money. In a current survey this figure had increased to 21 percent.

The savings level is so high, however, "it would take an excess amount of pressure to cause a supply-demand imbalance," the News Notes says.

In predicting a good year in housing, the department pointed to several forecasts of starts for 1964, including its own of 1.5 million units. The forecasts ranged from a low of 1.475 million units by Smith & Magee to a high of 1.640 million by Fortune magazine. By comparison, economists last year generally agreed that starts would total 1.4 million in 1963. Actual starts this year will total around 1.53 million.

The expectations of a continued strong economy in 1964 are based on the probability of an income tax cut, continued high Government spending, a high rate of expenditure for plant and equipment, particularly by the steel industry, and a conservative ratio of inventory to sales.

SLIGHT DROP EXPECTED IN MULTIFAMILY STARTS

A slight decline in the multifamily market will keep starts in 1964 from equaling the high rate which is now making 1963 the third best, or perhaps second best, year in U.S. housing history, according to the NAHB economic department.

About 1.5 million starts in 1964—of which about 525,000 will be multifamily units—is the department's prediction. The rental total would show a 2-percent drop, while the 975,000 single-family starts would equal this year's figure. The total should be about 1.530 million units in 1963, the special report (63–12) estimates. The report is available free to NAHB members and for $2 to others from the NAHB economics department, 1625 L Street, Washington, D.C.

In predicting a slight leveling off of building activity in 1964, the report cites uncertainties involved in a presidential election year and notes that a slight decline in the rental housing activity which has dominated the picture this year already has been detected in recent months. On multifamily housing it states: "In many localities there are definite signs of overbuilding In others this is not yet apparent, mainly because of the lag in time it takes to build these units and to rent them."

Total new construction in-place in 1964 should increase about 2 percent over 1963 to $64.7 billion, the department estimates. Of this, new housing units should total $19.7 billion, a 0.45-percent increase over 1963. Additions and alterations are expected to increase by 4.58 percent, to $5.7 billion. A 3.85-percent decrease for nonhousekeeping units to $1.2 billion is foreseen.

The report cites these reasons to support the prediction of "a relatively high level of homebuilding": (1) Rapid population growth; (2) expected increase in personal incomes; (3) expected increase in marriages; (4) high demolition rate; (5) optimistic long-range outlook for a stable, if not expanding, economy; (6) ample mortgage money and favorable interest rates.

Treated in more detail are the factors which would support the prediction of some leveling off. One is the decline in multifamily construction in the larger cities, which would not be compensated for by a recently noted increase in smaller communities.

The continued drop in FHA and VA activity, which will account for only about 15 percent of the total in 1963 compared to 20 percent in 1962, is cited. FHA insurance for multifamily units is expected to decline some 23 percent in 1963 from 1962. Favorable terms on conventional loans and uncertainty resulting from the Executive order on discrimination are listed as reasons.

The report also cites "increasing evidence" of a general reduction in inventory with less speculative building by individual builders. It adds: "It appears that this trend will continue well into 1964."

Some other factors noted as indicating a leveling off: (1) A decline in the number of persons 30 to 39 years of age; (2) mass transportation difficulties resulting in a return-to-the-city trend; (3) persistent increase in the mortgage foreclosure rate; (4) growth of one-person families; and (5) drop in birth rate.

Housing starts—Forecasts for 1964

[In number of housing units]

	Total	Singles	Multiples
NAHB	1,500,000	975,000	525,000
Colean	1,570,000	970,000	600,000
Fortune magazine [1]	1,640,000	[2]	[2]
Newcomb & Gillogly	1,585,000	985,000	600,000
Smith & Magee	1,475,000	1,018,000	[3] 457,000
U.S. Gypsum	[4] 1,525,000	[2]	[2]

[1] Fortune magazine builders survey; the editors are less optimistic.
[2] Not available.
[3] Given in a speech at Chicago American Marketing Association meeting, Sept. 23, 1963.
[4] U.S. Gypsum gave a range of 1,500,000 to 1,525,000 units and predicted singles would increase slightly and apartments drop slightly.

MORE NAHB BUILDERS TURN TO RENTAL UNITS

More NAHB builders are building rental housing for their own investment, despite their widely held belief that there is moderate overbuilding of apartments in their areas, according to preliminary tabulations of the Builders' Economic Council fall survey.

The BEC survey indicates also that builders expect little change in the number of housing starts in 1964 compared to 1963. Complete results of the survey of 800 representative builders throughout the country will be available this month from the NAHB economics department. In past years the BEC has successfully predicted the direction of the housing industry.

Preliminary results showed nearly two-thirds of the respondents indicating moderate overbuilding of rentals in their areas. Many of the respondents stated, however, that they are currently building or are planning to build apartments.

Of those building or planning rentals, 67 percent were doing so for their own investment, compared to 37 percent in this category in the spring. And 80 percent of the builders doing rentals for their own investment planned to manage and rent the units themselves.

The BEC survey deals with current economic conditions and the general housing outlook, coupled with housing characteristics and characteristics of the builders' operations, including diversification, type of organization, and number of employees.

New construction put in place, United States

Type of construction	Value (in million dollars)				
	1962	1963	1963–62 percent change	1964	1964–63 percent change
Total new construction	$61,010	$63,606	4.25	$64,820	1.91
Private construction	43,458	45,182	3.96	46,280	2.43
Residential buildings (nonfarm)	24,833	26,308	5.93	26,600	1.11
New housing units	18,252	19,610	7.44	19,700	.45
Additions and alterations	5,319	5,450	2.46	5,700	4.58
Nonhousekeeping	1,262	1,248	−1.11	1,200	−3.85
Nonresidential buildings (nonfarm)	11,331	11,348	.15	11,870	4.59
Industrial	2,814	2,862	1.70	3,120	9.01
Commercial	4,964	4,893	−1.44	4,950	1.16
Office buildings and warehouses	2,538	2,759	8.70	2,800	1.48
Stores, restaurants, and garages	2,426	2,134	−12.04	2,150	.74
Other nonresidential buildings	3,553	3,593	1.12	3,800	5.76
Religious	994	967	−2.72	970	.31
Educational	614	638	3.90	660	3.44
Hospital and institutional	925	1,028	11.13	1,120	8.94
Social and recreational	754	700	−7.17	790	12.85
Miscellaneous	266	260	−2.26	260	NC
Private construction—Continued					
Farm construction	$1,625	$1,672	$2.89	$1,700	1.67
Public utilities	5,392	5,554	3.00	5,850	5.32
All other private	277	300	8.30	260	−13.34
Public construction	17,552	18,424	4.96	18,540	.62
Residential buildings	938	858	−8.53	850	−.94
Nonresidential buildings	5,118	5,360	4.72	5,430	1.30
Industrial	395	420	6.32	430	2.38
Educational	2,984	3,010	.87	3,000	−.34
Hospital and institutional	397	450	13.35	500	11.11
Administrative and service	676	766	13.31	800	4.43
Other nonresidential buildings	666	714	7.20	700	−1.97
Military facilities	1,267	1,330	4.97	1,300	−2.26
Highways	6,100	6,600	8.19	6,550	−.76
Sewer and water systems	1,754	1,861	6.10	1,990	6.93
Sewer	1,072	1,125	4.94	1,225	8.88
Water	682	736	7.91	765	3.94
Public service enterprises	478	470	−1.68	420	−10.64
Conservation and development	1,514	1,555	2.70	1,560	.32
All other public	383	390	1.82	440	12.82

DISCRIMINATORY OCEAN FREIGHT RATES DAMAGE EXPORT PROSPECTS

Mr. SPARKMAN. Mr. President, the development and the expansion of American exports is a matter of prime importance to this country. Present improvement in our rate of growth and our balance of payments is, to a degree, due to the emphasis placed upon this matter by our Government in the last few years.

The Senate Small Business Committee has long recognized the need for encouraging small business firms to develop their potential export markets. The committee held hearings on this subject in 1960 and 1962, and several of the recommendations that were made following those hearings have been put into effect. The result, I believe, has been increased participation and interest on the part of small business in export trade. Unfortunately, several problems remain to discourage the small businessman from reaching his full potential. One such problem has come to my attention this year. I refer to the matter of discriminatory ocean freight rates.

In May of this year the Joint Economic Committee, on which I have the privilege to serve, began hearings on this subject. The chairman of that committee, Senator DOUGLAS, has reported to the Senate some of the examples of discrimination against American exporters revealed by the testimony presented to that committee.

I was shocked, as I am sure other Members of the Senate were, to learn, for example, that to ship drugs and medicines from New York City to Venezuela costs an American businessman $35.84 per 1,000 nautical miles, while a European businessman can ship the same commodity to the same country on the same ship at a rate of only $15.09—a difference of 134 percent.

This sad tale was repeated before the Joint Economic Committee as to commodity after commodity—chemicals, appliances, farm machinery, textile machinery, fertilizers, and paper products.

A small businessman who manufactures cork products gave the committee the following testimony:

> For the first time we can now see a potential market in Great Britain and Europe of over $100,000 per year. We are in contact with firms abroad who want to buy from us. However, a freight disparity of 330 percent is a major barrier to achieving this potential business. (Hearings, p. 324.)

The same small businessman pointed out that if only 10,000 other American firms could surmount the freight rate disparity and realize a similar amount of business, our national exports would increase by $1 billion a year.

The joint committee heard further testimony that some American shippers learned of the rate discriminations, but did not know that anything could be done about them. On other occasions, firms which had lost business hesitated to complain because the moment had passed when the complaint could have recovered the business for them. Still other businesses undoubtedly lacked the informational and financial resources to become aware of potential remedies or to pursue them. Undoubtedly, these conditions weigh most heavily upon the small businessman.

I am convinced that our greatest potential for increased exporting lies with the Nation's small concerns. Any deterrent to the realization of that potential cannot be endured. Accordingly, I have asked the staff of the Senate Small Business Committee to explore the impact of this problem upon small business firms.

The Federal Maritime Commission has authority under sections 16 and 18(b)5 of the Shipping Act of 1916 to review the rates established by the Shipping Conferences, and to determine whether any rate is so unreasonably high or low as to be detrimental to the commerce of the United States. It has additional authority to gather information under sections 22 of the Shipping Act and 212(e) of the Merchant Marine Act of 1936.

I understand that when the joint committee concluded its hearings, the Maritime Commission issued an order to the major shipping conferences which would require the conferences to eliminate disparities between outbound and inbound ocean freight rates or to give full justification for these differences to the Commission. The Commission is also undertaking a revision of its procedures for receiving the complaints and requests of aggrieved American businessmen. These are steps which indicate that the Maritime Commission is now willing to take the initiative in this matter, and we shall be most interested in the results.

It is hoped that these actions by the Commission will lead to a thorough airing of the views and complaints of large and small business exporters, and to the elimination of the frustrating conditions described before the Joint Economic Committee. In any event, the Small Business Committee will be doing what it can to make it possible for small concerns to overcome these conditions and to participate fully in foreign trade.

The ingenuity, efficiency, and talent of American businessmen—large and small—are among the finest resources the United States possesses. It is a great inequity to allow these talents to continue to be shackled by a discriminatory freight rates system, when they could be winning the Nation great gains in this era of growing world trade.

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICH.

The Senate resumed the consideration of the bill (S. 792) to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes.

Mr. BIBLE. Mr. President, I ask that the committee amendments be agreed to en bloc.

The committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BIBLE. Mr. President, I trust that the third reading will not be reached until an opportunity has been afforded Senators to offer amendments to the bill.

I should like to make a brief explanation of the bill.

The Sleeping Bear Dunes National Lakeshore bill, now before the Senate, would authorize the establishment of the first national shore area on the Great Lakes.

In the previous Congress we established the Cape Cod National Seashore in Massachusetts, the Point Reyes National Seashore in California, and the Padre Island Seashore off Texas.

Cape Cod was the second national seashore recreation area on the Atlantic. The other was Cape Hatteras, the first ever established. That area was given to the Nation by a foundation and by the State of North Carolina.

Point Reyes is our first on the Pacific, and Padre Island the first along the Gulf of Mexico.

All of the areas, including the Sleeping Bear Dunes, under consideration now, were classified among the first 8 or 10 finest available shoreline stretches in the Nation, possessing outstanding scenic, scientific, and recreational values, in a study of the Nation's shores conducted by the National Park Service in the fifties.

The Sleeping Bear Dunes on the shores of Lake Michigan in the northwestern corner of Michigan's lower peninsula, rise 460 feet above the waters of the lake. Included in the 42,000-acre area which the Nation would acquire are also the Empire Dunes, nearly as high, a few miles to the south of Sleeping Bear.

To the northeast of the Sleeping Bear Dunes, the bill authorizes the acquisition of another lakeshore strip, including a high lookout point from which visitors can look west over Good Harbor Bay, Sleeping Bear Bay, the Sleeping Bear Dunes, and out across the lake to North and South Manitou Islands.

Lobes of a great glacier formed the countryside of Sleeping Bear Dunes area. The lobes themselves dug depressions in the earth. Glacial debris was gathered up between the lobes and deposited to form high hills. As blowing sands formed dunes in the area, the glacial depressions were sealed off from Lake Michigan and formed inland lakes—Traverse, Big and Little Glen Lakes, Platte Lake, Crystal Lake, and many more. There are cedars, birch, pine, spruce, tamarack—a great variety of trees and rare plants on the hills and ridges and in the swales and swamps.

It is a beautiful country, and our committee is proud of the bill we are recommending today which, in addition to providing for the acquisition of the 5,300-acre South Manitou Island and 32 miles along the Lake Michigan shore, captures the values of the inland area by authorizing 30 miles of scenic parkway over the high ridges of glacial debris to all the finest lookout points and their vistas, without requiring the displacement of residents or compatible commercial establishments.

The original 77,000-acre Sleeping Bear Dunes National Lakeshore bill would have taken all of the inland area through which the proposed parkway will be routed, and it would have involved 1,587 structures. The committee bill has reduced the structures involved by 80 percent to 288. Residence owners will not be required to give up their homes if they maintain their properties in accordance

with approving zoning standards, or if they file a statement of agreement to observe certain minimum standards. Commercial establishments compatible with the recreation area are also exempted from condemnation as long as they do not interfere with or detract from the park purpose.

The bill has within it what we call the "Cape Cod formula"—a suspension of condemnation of residential property where it is compatible and properly maintained. Owners may also sell to the Government, if they choose, and retain a right to use their homes for 25 years or the life of the owner or spouse.

The committee has been greatly assisted in the development of this bill, and the very useful provisions for giving maximum protection to existing property owners consistent with the National Lakeshore purpose, by Senator PHIL HART, of Michigan, and by his colleague, Senator PAT MCNAMARA.

At the outset, there was unusual opposition to the bill, which has been before the Committee on Interior and Insular Affairs for several years. Much of it came from people who, understandably, went to that magnificent area in the summer months, and partook of its beauties during that particular season.

The staff of our committee, headed by Mr. Benton J. Strong, has been invaluable in attempting to remove as much controversy from the bill as possible. I am now proud to present to the Senate a bill which we think largely accomplishes this end.

The acreage has been reduced almost by half. Its price tag is less than the original indicated cost of acquisition. The present cost of acquisition is estimated to be $4,755,000. There are 288 structures within the seashore area but under the bill, the owners can have them exempt. If they are not acquired, the cost will be approximately $1,200,000 less than the $4,750,000 authorized.

This inland lake shore area was called to the attention of Congress by the Outdoor Recreation Resources Review Commission. It is one of the very fine remaining shoreline areas in the United States that can be acquired and turned into national lake shore recreational area.

I believe the bill before the Senate is realistic as to size. It has ample built-in protection for the owners of both residential and commercial properties.

In the past few years the committee has worked on many bills of this type in which controversy was involved. We hope we have minimized the controversy in this particular bill.

In January, 1962, the Outdoor Recreation Resources Review Commission advised the President and Congress that there is a tremendous demand for water-based recreational facilities.

The Commission, created by an Act of Congress sponsored by the senior Senator from New Mexico [Mr. ANDERSON], and of which Mr. Laurance Rockefeller was the chairman recommended:

> Immediate action by Federal, State and local governments to reserve or acquire additional water, beach and shoreline areas, particularly near centers of population.
>
> A most pressing problem of supply is ocean and Great Lakes shoreline. This resource is one of the most in demand, and it is one of the most scarce in public ownership.
>
> The need is crucial. Opportunity to place these areas in public ownership is facing each year as other uses encroach.

In view of this report, and the obvious need for such shoreline areas, our Public Lands Subcommitte of the Interior and Insular Affairs Committee has attempted to expedite shoreline bills, and particularly those dealing with areas classified in a national survey as the most outstanding remaining opportunities for public develpoment.

The committee has before it at present an interesting seashore, the Fire Island Seashore proposal, which lies off Long Island, near New York City. The Washington hearings on it were completed a few days ago. We hope we can move it forward sometime in the near future.

I hope and trust that the Senate will act favorably on the Sleeping Bear National Lakeshore bill and continue the progress that is being made toward meeting the Nation's needs for recreation areas of this kind, both along the oceans and in the inland areas.

There is a short supply of this type of area. The time in which we can properly preserve them is running out. The bill now before us would do that. I think it would do so with due regard for the protection of the owners of homes and commercial establishments in the area.

I hope the bill will pass.

Mr. MORSE. Mr. President, I oppose the bill—and I am for a park in this area and for parks in a good many other areas.

In my opinion, the condemnation provisions of the bill are unjustified. Condemnation provisions raise a serious question in regard to any such bill.

I deeply resent the reporting by the Committee on Interior and Insular Affairs of a bill involving the Oregon Dunes. It has split the Oregon delegation. The committee will have to assume the responsibility for a bitter political controversy that will rage for some time in Oregon as a result of the proposal of that bill by the Committee on Interior and Insular Affairs.

Condemnation should be used sparingly, and never used unless a real public necessity demands it.

The course of action followed by the Committee on Interior and Insular Affairs with respect to the Oregon Dunes bill will result in a series of mass meetings in my State in the months ahead. It has engendered a controversy in my State that will rock its politics for some time to come.

I do not believe we should proceed to the passage of park bills that contain condemnation procedures. The Department of the Interior, or whatever park group it is that will administer Federal parks, should see if it cannot acquire properties on a purchase basis, which I respectfully submit can be done. In most cases, the property that is needed to create a park can be purchased.

In Oregon, more than 50 percent of the land is owned by the Federal Government. That is a great deal of land. Yet there is pending before this body, from the Committee on Interior and Insular Affairs, a measure for a dunes park on the coast of Oregon, and in that connection it is proposed to take more land, including privately owned land, for the Federal Government. We shall debate this issue at great length, after the first of the new year.

But for some years—as is shown by editorials and other materials, I placed in the RECORD on Tuesday, December 17, I have pledged to the people of Oregon that I would not support a dunes bill containing a provision for the condemnation of property which, in my judgment, is not necessary for the Federal Government to take. A great many of the people of Oregon are also of the opinion that we should not take, through condemnation, the privately owned property in the Oregon dunes.

I favor the establishment of a dunes park in Oregon.

It has been pointed out that there are significant differences between this proposal and the Indiana dunes case, the Michigan dunes case, or the Cape Cod case. That is true; but I also know that once a pattern is established, little attention is paid to such significant differences. That is why I must raise my voice in opposition to the condemnation part of this bill, although I think every other part of it can be supported. But that is why I oppose this part of the Sleeping Bear Dunes National Lakeshore bill.

Let me refer to some of the condemnation provisions of Senate bill 792. I now read from page 8:

> (d) With respect to that property which the Secretary is authorized to acquire by condemnation under the terms of this Act, the Secretary shall initiate no condemnation proceedings until after he has made every reasonable effort to acquire such property by negotiation and purchase.

That provision is only so much verbiage, for it provides the power to condemn, and the Secretary will determine whether he thinks he has used "every reasonable effort" to acquire the property.

I read now from page 9 and page 10:

> (e) In any case where the owner and the United States agree, the power of condemnation may, notwithstanding any other provisions of this Act, be used as a means of acquiring a clear and marketable title, free of any and all encumbrances.
>
> (f) In exercising his authority to acquire property by exchange, the Secretary may accept title to non-Federal property located within the area designated for inclusion and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area.

I read now from page 12:

> Any such owner shall have sixty days following the receipt by him of that written notification within which to discontinue the use referred to in such notification. Discontinuance of such use within such sixty-day period shall have the effect of prohibiting the Secretary from acquiring such property by condemnation by reason of such use. In any case in which such use is not discontinued within such sixty-day period and

condemnation proceedings are thereafter initiated by the Secretary, no condemnation shall be ordered in any such proceedings if the Secretary fails to demonstrate to the court by substantial evidence that such a use was not in substantial compliance with such bylaw or was not substantially consistent with such applicable standards.

That is only more "gobbledygook." The fact is that this part of the bill would give the Secretary of the Interior the power to condemn.

In my judgment, the bill should not be passed until the condemnation provisions are eliminated. If, thereafter, it develops that the necessary purchases or trades cannot be arranged for property which would be vital, from the point of view of public necessity, condemnation then could be requested, under such circumstances. But that is quite different from providing such condemnation power at this time, as requested for the Secretary of the Interior.

We know that public necessity is the heart of eminent domain, and that as a legislature we should not proceed to grant blanket condemnation power, but should grant condemnation power only in relation to specific facts in connection with parcels of land as to which it can be shown that the absence of Federal ownership would be contrary to the public need.

I know there are those who would like to argue that if I did not object to the provisions authorizing condemnation proceedings in connection with other bills of this sort, I am, somehow, estopped from objecting to the condemnation provisions in the dunes park bill which the committee has brought before the Senate.

Mr. President, in Oregon, hundreds of acres of sand and sand dunes along the coastline are owned by the Federal Government—more sand dunes than the public park could ever use; and not one square foot of additional sand dunes need be condemned. Yet in the Oregon dunes case, the committee has reported the bill with a condemnation provision included in it.

For years, I have been trying to draft a bill which would avoid an unfortunate controversy in my State. The controversy in Oregon became so bad that, some months ago, when it was suggested that the late President of the United States visit Oregon and take an automobile tour to the area where the sand dunes are, it was said that if he did that, he would be picketed. That is the situation in Oregon into which the committee has walked.

In my opinion, when a State's delegation is not united in regard to such an issue, neither the Senate committee nor the Senate should seek to impose upon the State a proposed park which causes conflict of this kind within a State. It is not necessary, because we can have a good park in Oregon without the condemnation provisions of that bill.

It is argued, by the committee, so I understand, that only a small number of dwellings will be involved. However, I do not care if only one dwelling is involved, for certainly I hope we have not reached the point where if a principle of justice is involved, it will make a difference whether that principle of justice will be denied to only one landowner. My position as to principle will be maintained by me, regardless of whether only one landowner or 1,500 are affected. However, I point out that in this area of Oregon, many retired persons have built their own homes with their own hands. Nevertheless, the Committee on Interior and Insular Affairs says, in effect, "We will let them live on their land for 25 years." However, such a provision would destroy the market value of their homes, and would also destroy a good many other values which are dear to them.

So the question is whether it is necessary for the Federal Government to take this land, from the standpoint of public necessity. We shall further debate this point later.

There is developing in Oregon a situation in which the two political parties are taking opposing positions, and a split is also developing within my party on this issue—to the great glee of the opposition party. I did not ask for that quarrel, but I will not run away from it. I want the Committee on Interior and Insular Affairs and the Senate and the Democratic Party to know that I will take care of myself in Oregon; but in this fight, I urge the adoption of a sound Federal Government policy.

In my opinion, the tendency to pass bills which grant the Federal Government authority to condemn more and more land and to take over more and more property in some of the great public domain States must be stopped. Our States lose a great deal of potential revenue because of the Federal public domain; and if some Senators think we are repaid by the payments the Federal Government makes in lieu of taxes, in place of what would be the income to State if the property were owned privately, they could not be more mistaken.

Mr. President, I am in favor of public domain, and I have fought attempts by ranchers, livestock groups, and other groups in Oregon to have large areas of the public domain returned to private ownership; and I shall continue to fight such attempts, for they jeopardize a sound conservation program.

I wish to say to the conservationists that they are not supporting a sound conservation program when they take the position—every time they want a park—that they desire to give blanket authority to the Secretary of the Interior to take property that is not needed in order to obtain a good park.

I understand from my friends from Michigan that their situation is not comparable to the one in the State of Oregon. So the only objection I raise to the Michigan bill is that we should eliminate the condemnation sections in the bill and see what can be arrived at by way of Sleeping Bear Park on the basis of negotiation and purchase. Later, if a set of facts develops, that will stop them from having the park; if they find that later a situation should develop which, in order to get a certain piece of property from the standpoint of public necessity, would require action of the kind proposed, we can then enact special legislation providing for condemnation for those essential areas, and those areas alone.

I shall not say any more tonight, Mr. President. I believe I have served notice as to my position. I have kept faith with the people of my State to whom for years I have pledged that I would continue to oppose condemnation in regard to the Oregon Dunes Seashore Park, and that I would work as hard as I could to get a seashore park with the condemnation provision eliminated.

I well know what the opposition would try to say if I did not raise my voice tonight in opposition to the condemnation section of the bill. I have said few words—and they are relatively few compared to the discussion I shall have from time to time later on in the Senate, when the Interior and Insular Affairs Committee tries to get the Oregon Dunes bill through the Senate in its present form.

Mr. BIBLE. Mr. President, I have a few observations to make. I certainly respect the Senator from Oregon. He is a great fighter. He has served notice upon me, as chairman of the Subcommittee on Public Lands, that he will wage a strong fight on the condemnation provision in the Oregon Dunes bill.

As I have said repeatedly, in working on these lakeshore and seashore proposals, there are still opportunities to arrive at some arrangement that will meet with the approval of the Senator from Oregon. I hope that can be done. We will not take up the Oregon Dunes bill tonight. I understand there might be some discussion on the project at a later date—in January or February. I hope that between now and that time we can work on this problem with the Senator from Oregon.

On the question of condemnation, I know there is some difference of opinion. Actually, there is no such thing as blanket condemnation in the bill before the Senate, the Sleeping Bear Dunes National Lakeshore bill. Actually, as I tried to point out, it would permit owners of residential property, if they comply with the local zoning ordinances in the two counties involved in the Michigan situation, to stay there forever. They can alienate the property. They can do anything they wish with it. They can sell it to Uncle Sam if they wish to do so. If they sell it to Uncle Sam, they may retain a 25-year tenancy in it. The bill is patterned after the Cape Cod bill. From time to time we have checked back on the Cape Cod bill since the formula was built into the law, and we find it is causing no great hardship. It is working well. I believe it is a realistic approach to the Sleeping Bear Dunes National Lakeshore bill. Homeowners can live side by side with the recreation development there. Their uses are not incompatible.

The same thing is true of commercial uses. The only area in which condemnation is permitted under the Sleeping Bear proposal is on unimproved real property.

I recognize the depth of feeling of the Senator from Oregon in regard to this question. I respect that feeling. We will certainly do everything we can to work out the problem between now and

the time the Oregon dunes bill is placed on the calendar. If we cannot arrive at an adjustment, the Senator knows his parliamentary rights as well as any Senator, and we can consider the question on the various amendments which may be offered.

I do not believe the provision that is written into the bill is harsh or unfair. It seems to me it is a reasonable solution. I believe we have an excellent bill before us.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I am glad that the Sleeping Bear Dunes bill is so close to apparent passage, because the inland States have suffered from not having an adequate supply of parks. We have great centers of population. Those populations are growing rapidly, indeed. We have beautiful areas, but those areas have been taken over largely by private interests and only a few remain.

I had hoped that my bill to establish the beloved Indiana Dunes Park would be the first of the inland lakeside park bills to be presented; but I am glad, indeed, to support the proposal of the Senators from Michigan.

I wish to say to my good friend from Oregon—and he is my good friend—that we have fought many times in the past, side by side, and I expect to fight side by side with him many more times in the future. As I understand, the bill provides that people who own houses may keep those houses and the land adjoining in perpetuity. They may retain the houses and the adjoining property for personal use. They can pass the property on to their heirs. However, if they wish to sell to others than their families, it is true, is it not, that the Federal Government has the first opportunity to buy?

Mr. BIBLE. If the Senator will yield——

Mr. DOUGLAS. I yield.

Mr. BIBLE. May I clarify the statement?

Mr. DOUGLAS. I shall be glad to have the Senator do so.

Mr. BIBLE. There is a qualification. The property owner is not permitted to stay in Sleeping Bear Dunes in perpetuity unless—and this is the qualification—he conforms with the zoning ordinances in the two counties involved.

Mr. DOUGLAS. Certainly.

Mr. BIBLE. The second condition is that the owner may not put the property to an incompatible use. These are the only two cases in which condemnation would arise.

Mr. DOUGLAS. That would be natural in any city which establishes a zoning ordinance.

Mr. BIBLE. That is correct.

Mr. DOUGLAS. The constitutionality of the zoning ordinances have been repeatedly upheld by the Supreme Court.

Mr. BIBLE. Exactly.

One further observation, Mr. President. Under the Sleeping Bear proposal, the owner who conforms with the zoning ordinances would be able to sell the property to anyone he desires.

Mr. DOUGLAS. To anyone he wishes.

Mr. BIBLE. That is correct.

Mr. DOUGLAS. That seems to me to dispose of the legitimate objections. I hope very much that the bill will be passed. I hope, also, that there will soon be action on the Indiana Dunes bill.

Mr. BIBLE. If the Senator will yield to me further——

Mr. DOUGLAS. I am glad to yield.

Mr. BIBLE. I shall keep my commitment to the Senator from Illinois. The Indiana Dunes proposal has been before our committee for at least 8 or 9 years. I have assured the distinguished Senator from Illinois that hearings would be held on the Indiana Dunes project the latter part of January or the first part of February. We intend to accommodate ourselves to that date and to do everything we can to move it forward. I believe the bill for the Indiana Dunes is a realistic bill, and we will try to move it.

Mr. DOUGLAS. I thank the Senator very much.

Mr. MORSE. I do not know whether I am a cosponsor of the Indiana Dunes bill——

Mr. DOUGLAS. I can assure the Senator from Oregon that he is.

Mr. MORSE. I rise to point out a great difference between the Indiana Dunes proposal and the problem that confronts me. In the Indiana Dunes project one has to take over property that is practically or entirely owned by private interests. It is not public property. If we are to have a public park there, which raises the principle of eminent domain and public necessity, there must be condemnation; and I heartily support it. In the Michigan case—and I do not know what the tract problems are; I do not know how much land is involved—the situation exists where, in order to obtain a park, private land must be taken. If justification for the park meets the legal test of public necessity, I am for it.

Mr. DOUGLAS. Good.

Mr. MORSE. I am for it.

Mr. DOUGLAS. Good.

Mr MORSE. I have always been in favor of projects for the public necessity.

The Senator, I know, sees the situation the Committee on Interior and Insular Affairs is maneuvering me into from the standpoint of the general public, who do not understand the legal niceties. My editorial opposition—and that includes almost all in my State—and my political opposition will say, "What kind of fellow is that MORSE? There he is voting for condemnation in one case and objecting to condemnation in another."

That is why I am making this record tonight. If I am in error on my facts, I want to know it. My understanding is that even in the Sleeping Bear area there could be quite a large park if there were not a requirement of condemnation of the relatively small number of private holdings which are to be condemned.

Let the RECORD be perfectly clear that in Oregon it is not necessary to condemn a square foot of property in order to have more park than can be used. That does not involve private ownership.

That is the great difference between the controversies. I want my friend from Illinois to know that he will not have a more ardent supporter of the Indiana Dunes program than I am. That is why I said I thought I was a cosponsor of the bill.

Mr. DOUGLAS. Good.

Mr. MORSE. I have always explained the difference between the Indiana case and the Oregon case in my battles over this in Oregon.

I just came through a campaign in Oregon for reelection. In that part of the State the dunes issue was probably the hottest issue of the campaign. I do not intend to walk out on my campaign promises of 1962. The people of Oregon reelected me, and I believe I have some responsibility to fight against condemnation provisions in the bill of the Committee on Interior and Insular Affairs.

I tried to make this clear before the bill came from the committee. I tried to explain the problem in our State.

I do not like to see our delegation involve itself in a democratic civil war in my State, but that is what we are headed for. It ought to be avoided.

The only reason I pointed out why I would vote against the Sleeping Bear bill tonight was my understanding—if it is not factually correct, I should like to have it corrected—that the condemnation provision is not necessary in order to have a substantial park in the Sleeping Bear area. If that is true, I am against condemnation. If it is not true, I will be for it.

Mr. JORDAN of Idaho. Mr. President, I should like to address myself briefly to S. 792.

First, I compliment the distinguished chairman of the subcommittee for his diligence and the effort he made to conduct hearings both in Washington, D.C., and in Michigan in order to give everyone an opportunity to be heard.

The bill now before the Senate, as amended, is a bill drastically reduced from the original S. 792 as it came to the committee. As the chairman of the subcommittee stated, the private property holdings have been reduced from 1,587 to 288. The acreage has been reduced from 77,000 to 42,000 acres.

At one time the Secretary of the Interior asked to have 92,000 acres to be set aside for this project. In 1959, the National Park Service recommended a total acreage of about 30,000. So the acreage now in the amended bill, 42,000 acres, represents a substantial reduction from the request of the Secretary of the Interior for 92,000 acres, and the original acreage requested in S. 792.

Despite the reduction in acreage, none of the lake shore line has been sacrificed. There are still 32 miles of mainland lake shore line and 13 miles of lake shore line around South Manitou Island.

Also, the acquisition costs have been reduced from an original estimate of $17 million to the present estimate of $4,725,000.

The area included under the terms of the bill is still not as small as I should like to see it. I joined in minority views which called for reducing the acreage somewhat more, taking away some of the land north and south of the Little Glen Lake now held in private lands.

I ask unanimous consent that there may be printed in the RECORD a state-

ment which the Senator from Colorado [Mr. ALLOTT] would deliver with respect to the Sleeping Bear Dunes National Lakeshore if he were present.

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

STATEMENT BY SENATOR GORDON ALLOTT ON S. 792, SLEEPING BEAR DUNES NATIONAL LAKESHORE

As reported from the committee, S. 792, which provides for the establishment of the Sleeping Bear Dunes National Lakeshore, includes lands within the boundaries of the proposed National Lakeshore that I consider to be totally unnecessary for the purposes of the bill as set forth in section 1, which reads as follows:

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

There are two tracts of land—one on the north side of Glen Lake and one on the south side of Glen Lake—which in my opinion add little to the purposes of the proposed National Lakeshore as set forth in section 1, which I have just read, because these lands at no point touch the shore line of Lake Michigan. In fact, at the closest point of proximity, the lakeshore is approximately one quarter mile distant; and at that point, the village of Glen Arbor lies between Lake Michigan and the northerly tract.

I submit, therefore, that the inclusion of these lands does not preserve for the benefit of the public, any portion of the "diminishing shoreline" of the United States, and in fact, the inclusion of these lands is a contradiction of the declared purposes of the bill. Their inclusion in the boundaries of the national lakeshore could prove to be a source of harassment to the landowners and may have a deleterious effect upon land values without there being any hope for just compensation.

Some may argue that there are certain scenic values to these lands in question that must be protected. The bill provides for the establishment of a scenic parkway which takes advantage of the best of the natural scenery in the area in question. The Secretary is authorized to acquire up to 150 acres per mile of parkway, or in other words, a strip of land nearly a quarter of a mile in width on which may be established scenic turnouts and vantage points. I believe the scenic protection sought is already assured. We have a responsibility to protect the landowners of this country from unnecessary Federal encroachment. This is more especially true when a Federal taking does not serve the declared purpose of the bill. My amendment would eliminate the inclusion of these lands. It is as follows:

"After the word 'running', strike out all through the comma on page 45, line 11, and insert in lieu thereof the following:

" 'west to a point on the north line of section 29 which is 500 feet west of the center line of Michigan Highway 109,

" 'thence along a line in a general southerly direction at a distance of 500 feet perpendicular to the said center line of said highway to a point on the east-west quarter line of section 18, township 28 north, range 14 west, said point being the point of intersection of such line as protracted and the east-west quarter line of the said section 18,'."

Mr. JORDAN of Idaho. I say to my distinguished colleague the Senator from Oregon that we who signed the minority views are not happy about the condemnation procedure provided for in the bill, either.

I ask unanimous consent to have printed in the RECORD the minority views and additional minority views dealing with this subject.

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

MINORITY VIEWS

The bill, as reported from the Committee on the Interior and Insular Affairs, includes lands within boundaries of the proposed Sleeping Bear Dunes National Lakeshore that we consider unnecessary for the purposes of the bill, as set forth in section 1. The lands included that we particularly object to are those lands which are located directly north of "little" Glen Lake and those which are located directly south of "little" Glen Lake and "big" Glen Lake, all of which are located in Leelanau County, Mich.; i.e., T. 28 N., R. 14 W., parts of secs. 3, 4, 5, 8, 10, 11, 14, 15, 16, and 17, and all of sec. 9; T. 29 N., R. 14 W., parts of secs. 27, 29, 32, 33, 34, and all of sec. 28. At no point do any of these included lands touch the lakeshore. Their inclusion in the boundaries of the national lakeshore could prove to be a source of harassment to the landowners and may have a deleterious effect upon land values without there being any hope for just compensation.

Were the inclusion of these lands essential to the purposes of the national lakeshore, or were they at least necessary, we would withdraw our objection. But, in light of the fact that the bill provides for the establishment of a scenic parkway which takes advantage of the best of the natural scenery in the area in question, and that the Secretary is authorized to acquire up to 150 acres per mile of parkway, or, in other words, a strip of land nearly a quarter of a mile in width, we believe scenic protection is already assured.

We have a responsibility to protect the property rights within the area and the bill should be amended to do so.

THOMAS H. KUCHEL.
GORDON ALLOTT.
LEN B. JORDAN.
PETER H. DOMINICK.

ADDITIONAL MINORITY VIEWS

There is no justification or need for the establishment of the Sleeping Bear Dunes National Lakeshore Area. The Federal intervention by the National Park Service in this geographic area would be unwise and unwarranted.

The State of Michigan has had a progressive program for conservation and park planning that has satisfied the recreational needs of that State and the traveling public. Michigan has 69 State parks (181,429 acres), 23 State forests (3,763,494 acres), 61 State game areas (195,000 acres), and 785 public fishing sites.

Michigan rates second in national forest acres among States east of the Rockies. In Michigan's Lower Peninsula both Manistee National Forest and Huron National Forest are closer to the large population centers than is the Sleeping Bear Dunes area. Over 40 miles of Great Lakes shoreline is included in these two national forests. It is interesting to note that these forests have had little development for public use and are largely ignored by the public. We feel existing forest lands and shorelines should be developed before additional private lands are condemned and added to the already abundant acreage in Federal ownership.

The Sleeping Bear Dunes area is a beautiful area which has been kept up and maintained by the citizens of the area. There is no need for Federal intervention to maintain the beauty of that area.

This proposed lakeshore area of 42,000 acres has within it 32,300 acres of privately owned land which would be subjected to condemnation or the threat of condemnation if this bill were passed. Spread out over these 32,300 acres of privately owned land you will find 301 structures. A good number of these buildings are the homes and cottages of the residents of Michigan.

We can find nothing in the record of the hearings nor did we see anything on our field trip which would justify the condemnation of these privately owned lands or the harassment and regimentation to which the homeowners would be subjected. Let us not forget that the basic policy of the National Park Service has been to eliminate all inholdings. And, for the most part, the Park Service has succeeded.

The proponents of S. 792 will attempt to rationalize the zoning and condemnation features of this bill by arguing that it follows the Cape Cod formula.

Perhaps the Cape Cod, zoning and condemnation features could be justified in that instance, but here the facts are different.

Let's look, for example, at the numbers of people served by the two areas, which is a measure of potential use or need. Within a 100-mile radius of the proposed Sleeping Bear Dunes National Recreation Area there are 564,000 people. Within a similar 100-mile radius of the Cape Cod National Seashore there is a population of 5,310,000, nearly 10 times as many.

"Outdoor Recreation for America," a 1962 report to the President and to the Congress by the Outdoor Recreation Resources Review Commission, points out (p. 3) that "Outdoor opportunities are most urgently needed near metropolitan areas." It also points out (p. 39) that nearly one-third of all vacation trips are confined to 100 miles or less.

Bearing in mind that the greatest need for recreation areas is near metropolitan centers and that about a third of all vacation trips are confined to within 100 miles, we then note these comparisons, or contrasts:

Within a 100-mile driving radius of Sleeping Bear there are only 2 cities of over 10,000 people. Their combined population is 28,544.

Within a 100-mile driving radius of Cape Cod National Seashore, there are 80 cities of over 10,000 people. Their combined population is 3,184,563. This is nearly 112 times as much as Sleeping Bear.

Within a 200-mile driving radius of Sleeping Bear there are 17 cities of 10,000 or more people. Their combined population is 990,804. The total population in cities of 10,000 or more within 200-mile driving radius of Cape Cod is 6,335,561, more than 6 times as many as for Sleeping Bear.

The report of the National Outdoor Recreation Resources Review Commission, already referred to, states (p. 49) that "Michigan has a vast recreation resource in public ownership, but most of it is located just beyond the range of mass recreation use for the people of Detroit." It might have added that half of Michigan's population lives within an hour's drive of downtown Detroit.

Now, let's see, on a per capita basis, how Michigan and Massachusetts compare in recreational resources, remembering that in density of population, Massachusetts has 618 persons per square mile, compared to 137 for Michigan and that the area of Massachusetts is 8,257 square miles, compared to 58,216 square miles for Michigan.

State parks: Michigan has an acre for each 44 persons; Massachusetts has an acre for each 538 persons.

State forests: Michigan has an acre for each 2 persons; Massachusetts has an acre for each 23 persons.

National parks and recreation areas: Michigan (Isle Royale National Park) has an acre for each 15 persons; Massachusetts (Cape Cod National Seashore) has an acre

for each 192 persons. Incidentally, only about 7,000 persons visit Isle Royale National Park each year.

National forests: Michigan has an acre for each three persons; Massachusetts has no national forests, as such, only an experimental forest of 1,651 acres.

Shoreline: Michigan has 3,200 miles of Great Lakes shoreline; 545 miles of which are in public ownership; Massachusetts has 192 miles along the Atlantic coast.

Inland lakes: Michigan has 11,037 inland lakes covering 766,080 acres—an acre for each 11 persons; Massachusetts has 1,100 lakes and ponds covering 249,600 acres—an acre for each 20 persons. In addition, Michigan has 36,000 miles of rivers and streams.

The aforementioned comparisons clearly demonstrate that the needs for the States of Michigan and Massachusetts are not the same and consequently, the provisions which can be justified in one instance do not necessarily meet the needs of new legislation.

We recognize that there is a need for public recreational facilities and will support the establishment of those facilities when justified. But, in this instance we cannot support the establishment of a lakeshore area which is not needed by the public and not wanted by the citizens of the immediate area. We agree with the Outdoor Recreation Resources Review Commission "that most of Michigan's recreation resources are located just beyond the range of mass recreation use for the people of Detroit" and other metropolitan centers. The Sleeping Bear Dunes Lakeshore Area is one of these areas outside the range of use by our urban citizens.

Consequently, there would not be enough public use to justify the zoning and condemnation features which are in this bill. And, further, there are presently more than enough parks and recreation facilities to meet the needs of the people of the Sleeping Bear Dunes area and the people of Michigan.

Therefore, we oppose the Federal intervention and the establishment of the Sleeping Bear Dunes Lakeshore Area.

MILWARD L. SIMPSON.
E. L. MECHEM.
PETER H. DOMINICK.
LEN B. JORDAN.

Mr. JORDAN of Idaho. Mr. President, we worked long and hard to bring out a bill which we thought would be accepted by this body. It is not the bill I personally would prefer. It is not the bill my colleagues in the minority would prefer. We regard it as the best bill we can get and still preserve the scenic grandeur of this dunes area.

The bill now before the Senate is very close in area to a similar bill introduced in the House by the distinguished Representative in Congress from the district, Mr. GRIFFIN.

I suggest that the Senate should approve the bill and send it to the House with a full record of our minority views, in the hope that the House can improve it toward a better solution of the condemnation procedures provided for in the bill, and also with respect to a further reduction in the acreage of private holdings.

Mr. MOSS. Mr. President, I want to indicate my wholehearted support of S. 792, the Sleeping Bear Dunes National Lakeshore bill and state to the Senate that one of the reasons for that support is my great confidence in the workmanship of the chairman of the Public Lands Subcommittee of the Senate Interior and Insular Affairs Committee.

I have been associated with the senior Senator from Nevada [Mr. BIBLE] for 5 years on the committee and the subcommittee. There is not another one of us in the Senate with a greater sense of responsibility, combined with unusual ability, patience, and energy, than the Senator.

Members of this body can be assured that when a bill comes to the floor from the Subcommittee on Public Lands over which he presides, that it has been studied in detail. It has been the policy of the chairman to insist upon an on-site inspection of every major park proposal so the boundary revisions made in the subcommittee are with full knowledge of the tract to be included or excluded by any change in lines.

There has been careful consideration of every provision of the various park bills. An apparent conflict between Federal and State interests as to the control of hunting and fishing in the Federal park and recreational areas has been worked out to the satisfaction of both sides. Limitations on the exercise of the power of condemnation have been developed which will permit private owners to enjoy residential property, and even retain commercial properties in the new type of shoreline and recreational areas we are establishing so long as their use is compatible with the Federal purpose. Boundaries in each of the individual measures have been drawn with care.

The chairman of the subcommittee has done an outstanding job of study, negotiation, and development of legislative patterns which have made it possible to make excellent progress in implementing an accelerated national recreational area program.

The same sort of careful but expeditious work goes into legislation which comes before his subcommittee involving the administration of the public lands.

Beyond his fine workmanship, the able Senator from Nevada is an outstanding presiding officer.

On July 4 of this year the senior Senator from Nevada found himself presiding over a hearing in a Michigan high school auditorium jampacked with 2,000 banner-waving partisans in the Sleeping Bear Dunes controversy. There was some fear of demonstrations—of a "scene." The remarkable good humor of the chairman, but his firm insistence on good order and a fair hearing for both sides, won him much-deserved plaudits for his performance as a presiding officer from people on both sides.

Feelings are almost always intense about national park and recreational area proposals. Every hearing, and particularly the field hearings, is a test of the chair. The Senator from Nevada has proved to us who work with him that he has no peer as a wielder of the gavel.

The workload of the Public Lands Subcommittee of the Interior and Insular Affairs Committee is one of the heaviest of any subcommittee in the Senate.

Based on our November 12 calendar, the subcommittee had been referred 126 out of the 264 Senate bills sent to the Interior and Insular Affairs Committee and 9 out of 21 Senate resolutions. It had received 8 of 22 House bills or resolutions. It was responsible for 55 out of 130 reports and originated 18 of the 32 public laws which had stemmed from our committee in this first session of the Congress, plus 4 of 8 private laws.

The Senator from Nevada has thus not only produced unusually competent work, he has processed through the committee an unusual volume of work.

I am aware of the fact, Mr. President, that we are sometimes liberal about verbal bouquets in the Senate. This is no casual praise of the Senator from Nevada. He has done an impressive job in the Senator Interior Committee this year. He is admired and respected by every one of us on the committee familiar with his efforts and his great ability, and it should be in the RECORD.

I compliment the Senator from Nevada [Mr. BIBLE] on a tremendous years' work—productive work—and want him to know that I appreciate what he has done for me, for the committee, for the Senate, and for all the people of this country. I say to the Senator, "The Sleeping Bear Dunes National Lakeshore bill before the Senate at the moment bears your stamp—the mark of one of our finest legislative craftsmen—and it is a pleasure to support Senator HART and Senator MCNAMARA's great purposes, presented in the fine measure you have worked out."

Mr. HART. Mr. President, first I must express my thanks to the members of the Senate Interior Committee today before speaking in support of S. 792, the bill which my senior colleague, Senator MCNAMARA, and I introduced to establish in Michigan the Sleeping Bear Dunes National Lakeshore.

We are especially indebted to the chairman of the Public Lands Subcommittee, Senator BIBLE, who has given most generously of his time, energy, experience, and ability to develop a bill on which there could be maximum agreement. We are indebted also to members of his subcommittee, who held a hearing in Michigan on a day when most Americans were vacationing—the Fourth of July. Present in Frankfort on that day, in addition to the chairman, were Senators GRUENING, JORDAN, and SIMPSON.

Very special thanks are due to Senator Moss, of Utah, who held the first hearings on this proposal on an earlier bill, S. 2153, in Traverse City, Mich., back in November 1961. He has contributed greatly to this legislation. And, of course, we underscore our gratitude to the chairman of the Interior Committee, Mr. JACKSON, for bringing the bill to the Senate floor in these crowded days.

Mr. President, the Sleeping Bear Dunes area is one of three on the Great Lakes identified by the National Park Service as of sufficient beauty and scope to be deserving of incorporation in the national park system. Senator MCNAMARA and I are proud that all three of these Great Lakes areas, first sketched in preliminary outline by a professional aerial survey of "our fourth shore" in 1957 and 1958, are located in the State of Michigan. The three are Sleeping Bear Dunes, Pictured Rocks, and Huron Mountains.

Today, we have before us a bill which seeks to preserve for the enjoyment of present and future generations the first of these three areas and the one nearest our great population centers.

In 1959, after detailed on the ground surveys and study, the National Park Service recommended an area of some 77,000 acres for establishment of a national lakeshore. Following this recommendation, Senator MCNAMARA and I introduced S. 2153 in the 87th Congress.

The Sleeping Bear Dunes area is in Benzie and Leelanau Counties on the northeastern shore of Lake Michigan, approximately 25 miles west of Traverse City. It is an area of extraordinary beauty, as yet largely unspoiled. The massive dunes, towering 460 feet above the waters of Lake Michigan, combined with white sand beaches, magnificent deciduous forests and the giant cedar stands on the offshore island of South Manitou, offer one of the finest remaining opportunities for the preservation of outstanding scenic, scientific, and recreation values.

Mr. President, in the 5 years I have served in the Senate, it has been my privilege by my vote to take part in the creation of the Cape Cod National Seashore on our Atlantic coast, the Point Reyes National Seashore on our Pacific coast, Padre Island National Seashore on the Gulf, and the Canyonlands National Park in our Far West—among others. It is right that we now move to establish a national lakeshore on the Great Lakes.

The Sleeping Bear area, while still possessing most of its original beauty, unspoiled, is within an easy day's drive of 20 million people in the industrial heart of our Nation. It is 239 miles from Detroit, 294 miles from Chicago, and 400 miles from Cleveland. Indeed, a majority of those having summer homes and cottages there now are from States other than Michigan, and I know many of you have had cries of protest from many of these whom we enjoy having as summer neighbors.

The lakeshore which we here propose contains a mainland area—land and water—of 42,300 acres, plus 5,300 acres on South Manitou Island. On the mainland, there are 33 miles of shoreline, plus 13 miles of shoreline on South Manitou Island.

In addition, the bill authorizes the acquisition of right-of-way for a 30-mile scenic parkway which would traverse the highlands back from Lake Michigan, overlooking both Lake Michigan and the beautiful inland lakes.

As Members of the Senate well know, in every case where we endeavor to set aside a sizeable area of land for enjoyment by future generations, conflicts arise. Sometimes these conflicts come from mining interests, sometimes from grazing interests, sometimes from industrial interests.

The Sleeping Bear Dunes area has been no exception to this rule. In our case the opposition has come from those owning homes or cottages in the area. Although the bill made provision for continued private ownership of homes and cottages in perpetuity, the overwhelming majority of those around the inland lakes preferred to be excluded from the Lakeshore.

The Committee has met this problem by reducing the area to the present total of 47,600 acres, in the main, by carving out the land around Little Traverse Lake, Glen Lake, and the Platte Lakes where there was the heaviest concentration of residences. The number of structures within the boundaries was thus reduced from 1,587 to 288.

Senator MCNAMARA and I included the inland lakes in our original proposal as an integral part of the area, as did the field survey; they are among its most beautiful features; and with the safeguards for private property contained in the bill, we felt the homeowner would be more effectively protected from overdevelopment if within the boundary than just on the outside. In this belief we were backed by all the experts in land use and land value whose views were presented to us. This, however, was not the opinion of those involved, and the inland lakes are excluded. History only will give the answer as to which is the more prudent course.

SAFEGUARDS FOR PRIVATE RESIDENTIAL PROPERTY

Let me comment again on the statement made by the subcommittee chairman, Senator BIBLE, outlining the safeguards contained in S. 792 for the property owners. Those safeguards have accurately been described as the most far-reaching of any to be incorporated in a national seashore or national lakeshore bill. In essence, any home or cottage existing or under construction as of December 31, 1962, may remain in private ownership, may be sold to another individual, or may be willed to one's children or grandchildren, provided only that its continued use is in accordance with zoning standards spelled out in section 9 of the bill.

Further, S. 792 provides that if the county or township fails to zone, the individual homeowner may still protect his home in perpetuity by writing a letter to the Secretary of the Interior to the effect that he will use his property in accordance with these standards. Since the standards are written into the bill, they may not be changed by whim of any Secretary of the Interior; they may only be changed by act of Congress.

COMMERCIAL ESTABLISHMENTS

There is relatively little commercial development within the lakeshore at the present time. The bill prohibits condemnation of any commercial property in existence on December 31, 1962, so long as the use thereof would further the purposes of the lakeshore, "and such use does not impair the usefulness and attractiveness of the area." Specifically listed as uses that would be compatible are: Commercial farms, orchards, motels, rental cottages, camps, craft and art studios, marinas, medical, legal, architectural, and other such professional offices, and tree farms.

HUNTING AND FISHING

S. 792 as reported permits hunting and fishing within the boundaries in accordance with the laws of the State of Michigan. The Secretary of the Interior is directed to consult with the Michigan Department of Conservation in developing the hunting and fishing regulations.

ECONOMIC IMPACT

Mr. President, our objective from the outset has been that, once alerted by the shoreline studies, we should proceed with a minimum of hardship to local property owners to insure the maintenance of the beauty and refreshment of the Sleeping Bear Dunes area which those now there love so dearly.

However, Senator MCNAMARA and I have also been mindful of the economic benefit to our State—particularly to the northwestern lower peninsula from the establishment of a unit of the National Park System in that area. Benzie and Leelanau Counties are both redevelopment areas. Our magnificent throughway, Route 75, goes straight up through the center of the State and into Canada. What will attract the tourist—who is today Michigan's No. 2 industry—to spend his vacation days on the U.S. side of the Great Lakes? A national lakeshore, on every highway map that is printed, will attract visitors as nothing else could do.

Much has been made of the thousands of acres of Michigan land now in public ownership. The bulk of this, however, is tax-reverted land; only about 3 percent of it is of prime recreation quality. The outdoor recreation demand is increasing so rapidly that increasing thousands of would-be campers are turned away each year. Last year, for example, our State parks turned away 175,000 people from their gates.

S. 792 has the backing of all the principal conservation groups in the State of Michigan: the Michigan Audubon Society, Michigan Botanical Club, Michigan Forestry and Park Association, Michigan Natural Area Council, Michigan Parks Association, Michigan United Conservation Clubs, and the Recreation Association of Michigan. It is supported by the great national conservation organizations: the Izaak Walton League of America, National Wildlife Federation, National Audubon Society, Wilderness Society, National Parks Association, Citizens Committee on Natural Resources, and the Sierra Club. Governor Romney has supported the principle of a national lakeshore in the area; Congressman GRIFFIN—in whose congressional district the lakeshore is located—and Congressman STAEBLER—our Congressman at Large—have both introduced Sleeping Bear Dunes bills in the House. In October 1959, the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments recommended it to the Secretary of the Interior for his consideration.

The hearings on this legislation have been extensive. The subcommittee has worked on it diligently. Former President Kennedy strongly supported a Sleeping Bear Lakeshore. The bill which now comes to us with the approval of the full Senate Interior Committee is a bill which I believe all reasonable men and women can support. Division could continue of what would be the ideal park. All can agree this will be a fine park, a

benefit to those who now and hereafter live in this America.

There is an urgent need for early action on the measure. The people who own property and do business in the area will be in a state of uncertainty until this issue is settled. I can report that everyone connected with this matter, no matter what his views, is united in desiring a decision without further delay.

In terms of what is being provided of significant mainland use, this bill is vastly better than the House bill H.R. 2400. There are several facts helpful in evaluating the several pending proposals. The bill reported by the committee and now before us provides on the mainland of Manitou 32 miles of lakeshore. The bill—H.R. 2400—mentioned by the Senator from Idaho as introduced in the House by the Congressman from the district, Mr. GRIFFIN, provides 14 miles of mainland shoreline. The bill before us provides 42,000 acres on the mainland. The mentioned bill in the House provides for 17,000 acres. Also, the bill here provides for 30 miles of scenic drive on the mainland.

Mr. President, those who have visited the Sleeping Bear Dunes will, I am sure, agree with Senator MCNAMARA and me that this is an area of unique grandeur and beauty, indeed inspirational to those privileged to view it. It will be a worthy addition to the acreage which the Nation has set aside to be preserved that future generations may gain the refreshment of spirit from it that we do today.

I hope the Senate will act favorably.

Mr. President, I wonder if there would be objection if I asked unanimous consent to have placed in the RECORD, since the two minority views have been added to the RECORD, the majority committee view, which is a rather brief one.

Mr. BIBLE. I have no objection to submitting that for the RECORD as a part of the presentation of the proponents of the legislation.

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

BACKGROUND

The Sleeping Bear and Empire Dunes area on the northwest shore of Michigan's Lower Peninsula is classified as one of the nine most important remaining shoreline opportunities in the United States for establishment of a recreation area encompassing outstanding scenic, geologic, and scientific values in a near natural state.

The great Sleeping Bear Dunes, rising 460 feet above lake level, and the forested Empire Dunes 5 miles to the south, nearly as high, are unrivaled in the world by lakeside sand dunes. The area, in Leelanau and Benzie Counties, Mich., is within a 1-day drive of 20 million people in the heavily populated Detroit-Chicago area.

The proposed Sleeping Bear Dunes National Lakeshore would include approximately 32 miles of shore on Lake Michigan on the mainland at Sleeping Bear Bay and Good Harbor Bay, plus 13 miles of shoreline on South Manitou Island, a 5,300-acre island lying 7 miles off the mainland, now half publicly owned, which includes dunes, an inland lake, and has a large, natural protected harbor on its eastern shore.

The original landscape in the area was formed by lobes of glacial ice advancing into the Grand Traverse-Sleeping Bear area. Between the lobes there was deposited great linear hills of glacial debris. The subsequent action of the wind in creating dunes, many now forested, has left the inland area marked with inland lakes. The whole region is one of hills and lakes affording unusual vistas from hilltops across the inland lakes and dunes to Sleeping Bear Bay, Good Harbor Bay, and Lake Michigan.

The geological formations created by ice, wind, and water are readily traced, and demonstrated to visitors in the area.

The biological features are many and varied, including plants which thrive on hills, ridges, and in swailes and swamps. A forest of maple and beech surrounds Glen Lake. There are cedar swamps underlain with marl, white birch, jack pine, tamarack, spruce, and many other species. Many rare plants are found on South Manitou Island, including the largest known northern white-cedar tree in the United States.

Also on South Manitou is a large nesting colony of herring gulls.

A large number of books, studies, and papers by geologists, biologists, and botanists written about the area make it well known in scientific as well as tourist and vacationist circles.

OUR NEED FOR SHORELINES

Congress has approved the establishment of shoreline recreation areas on the Atlantic, the Pacific, and gulf coasts—Cape Cod, Point Reyes, and Padre Island, respectively. Others, such as Oregon Dunes in Oregon and Fire Island off New York, are under consideration. Approval of Sleeping Bear Dunes National Lakeshore would be the first such establishment in the Great Lakes region.

America's need for the preservation of shorelines for public enjoyment has been recognized for several decades. In 1935, a study of the Atlantic and gulf shores recommended Federal acquisition of 12 areas comprising about 600,000 acres and including more than 400 miles of shore.

Unfortunately, only one of these, Cape Hatteras, was acquired as a result of a donation to the Federal Government, until Congress authorized the purchase of a large part of Padre Island in 1962. Most of the remaining areas recommended for acquisition in the 1935 report have now been subdivided, and occupancy and land values are so high that acquisition would be impracticable.

The Nation was urged anew to acquire shoreline areas in the 1962 report of the Outdoor Recreation Resources Review Commission. After an extensive survey of the recreational preferences of citizens, the ORRRC reported:

"Most people seeking outdoor recreation want water—to sit by, to swim and to fish in, to ski across, and to run their boats over. Swimming is now one of the most popular outdoor activities and likely to be the most popular of all by the turn of the century. Boating and fishing are among the top 10 activities. Camping, picnicking, and hiking, also high on the list, are most attractive near water sites."

As one consequence of these findings, ORRRC recommended:

"Immediate action * * * by Federal, State, and local governments to reserve or acquire additional water, beach, and shoreline areas, particularly near centers of population."

ORRRC studies showed that 65 percent of vacationists travel a minimum of 250 miles on their vacation trips This is the approximate distance between the proposed Sleeping Bear Dunes National Lakeshore and Detroit or Chicago. A considerable part of the 20 million people within a day's drive would, of course, make the Sleeping Bear area the destination of weekend visits as well as annual vacation trips.

The ORRRC report said:

"A most pressing problem of supply is ocean and Great Lakes shoreline. This resource is one of the most in demand, and it is one of the most scarce in public ownership * * * The present supply of publicly owned shoreline for recreation is not adequate, and acquisition will be needed.

"The 13 shoreline areas that were recommended for addition to the national park system in a national shoreline review, are examples of areas that should be acquired for public use. The 87th Congress enacted legislation to authorize acquisition of one of these, the Cape Cod National Seashore. This is a significant forward step, but State and Federal agencies should act promptly to preserve for public use and enjoyment the remaining magnificent stretches of unspoiled coastline * * *. The need is critical—opportunity to place these areas in public ownership is fading each year as other uses encroach."

The Sleeping Bear Dunes area, herein recommended for Federal acquisition, was one of the 13 recommended in the national shoreline study referred to by the Commission in the quotation above.

Favorable action on the proposed lakeshore recreation area was also urged by the late President John F. Kennedy, in his message to the Congress on our conservation program submitted March 1, 1962.

THE REPORTED BILL

Discussions and hearings on how best to establish a Sleeping Bear Dunes National Lakeshore have centered on size—boundaries—and treatment of private property owners within the area to be set aside.

Two major proposals have been made to Congress.

One, sponsored by Senators HART, MCNAMARA, and Congressman at Large STAEBLER, proposed a 77,000-acre lakeshore including South Manitou Island offshore. Their bill provided for private residential zones within the exterior boundaries where private ownership would be undisturbed so long as properties were zoned and maintained. The purpose of the authors was to give the private owners, including owners of many fine summer homes, both undisturbed permament tenure and protection from deleterious developments in their vicinity. The exterior boundaries would have enclosed Little Traverse Lake, large and small Glen Lakes, and Platte Lake which have many of these cottages along their shores. The bill would have brought into the park the high ridges, scenic overlooks, swamps and forests, and intervening areas of lesser significance.

The second bill, sponsored by Congressman GRIFFIN from the congressional district involved, included 17,000 acres on the mainland, consisting chiefly of a strip along the westward Lake Michigan shore including the Sleeping Bear and Empire Dunes, but disregarding the inland features.

The boundaries of the proposed Sleeping Bear Dunes National Lakeshore proposed in the committee bill, although described at one time as "twice as big as the small bill and half as big as the larger area proposed" is not a compromise.

The committee feels that it has reported a bill which will preserve for public use on 47,600 acres maximum mileage on the shore of Lake Michigan (approximately 32 miles on the mainland), access inland to the finest overlooks and inland scenic features, and the most attractive and accessible of the two Manitou Islands, the 5,300-acre South Manitou with 13 miles of shoreline, dunes, forests, an inland lake, and a natural, protected harbor within the elliptic bay on its east shore.

A coastal strip up to a little more than 2 miles wide is to be acquired from Sleeping Bear Point south down the west side of the area to the vicinity of Crystal Lake. A second such strip at the north, starting east of Glen Arbor and extending eastward to a high overlook with a view across Good Harbor Bay, Sleeping Bear Bay, and Lake Michigan to Sleeping Bear Point is included.

Authority is then provided for the construction of a scenic parkway arcing around Platte Lake which can include the high,

scenic overlooks and areas of interest within its right-of-way. A right-of-way of 150 acres to the mile is authorized, or approximately 1,000 feet. This is 25 acres to the mile greater than usual scenic parkway authorizations for the purpose of permitting protection of the roadway against unsightly developments and acquisition of turnouts and lookouts. A second parkway is authorized along the high moraine south of Crystal Lake, capturing the scenic values there. The total authorized scenic parkway, within designated zones, is approximately 30 miles.

The number of improved private properties included in the actual park boundaries has been reduced from 1,587 in the original major bill to 288. Under the terms of the bill, the residential properties among the 288 structures included in the lakeshore proper can remain in private ownership if properly zoned and maintained. Commercial properties are to be allowed to continue in private ownership if compatible with lakeshore purposes.

The general policy, first developed in the Cape Cod Seashore Act, is followed of not authorizing condemnation to acquire private residential property where locally zoned. Private dwellings built prior to December 31, 1962, together with at least 3 acres of land if the site is that large, can be owned, used, or sold within the area so long as they are used for residential purposes and local units of government have zoning laws which conform to a few minimum standards delineated in the bill, S. 792.

In the unlikely event that a local zoning law is not enacted, or at some future time repealed, an individual homeowner can continue to enjoy exemption from condemnation by filing a simple declaration of intent to use his property in accordance with the minimum zoning standards contained in section 9(a) of the bill.

The property owners are further protected by allowance of time to correct any abuses or violations of zoning brought to the attention of the Secretary of the Interior.

If an owner prefers to sell his home or residential property to the Government, he is given the right to retain, if he so desires, either a lifetime or a 25-year use, or tenure.

There are a limited number of commercial properties in the proposed taking area. Power to acquire these properties is not authorized if they were in existence December 31, 1962, are compatible with the national lakeshore purposes, and are properly maintained.

It is anticipated that private enterprise in the small communities of Empire, Honor, Glen Arbor, and Frankfort, towns near but not within the boundaries of the lakeshore, will provide necessary future expansion of commercial recreation and tourist accommodations for lakeshore visitors.

LOCAL LAND USE PLANNING

There will be a large number of private residential properties and considerable underdeveloped property in private ownership contiguous to the park.

The Government will have an interest in the orderly development and maintenance of property in the adjacent area, which is a part of the scenic asset of the total environment. Section 8(a) consequently provides for cooperation with, and assistance to, local and State units of government to make competent technical people available to local governments for land use planning.

Zoning has already been instituted by some of the townships. The committee feels that this initiative, coupled with proper advisory assistance from technicians, can assure orderly, attractive development of the land adjacent to the lakeshore to the best interests of all involved.

ANALYSIS OF THE BILL

Section 1 is a statement of policy in regard to shorelines and authorization of the establishment of the Sleeping Bear Dunes National Lakeshore. Subsection (b) is a statement of the committee's intention that private property rights be continued to fullest possible extent and that Federal, State, and local governments cooperate to achieve a desirable development of the area through zoning and land use planning.

Section 2 designates the area to be included in the lakeshore.

Section 3 states the procedure for formal declaration of the establishment of the lakeshore.

Section 4 establishes a Sleeping Bear Dunes National Lakeshore Advisory Commission through which it is hoped that the Federal, State, and local cooperation desired can be promoted and achieved. The Commission, to be composed of 10 members, will be advisory to the Secretary of the Interior in establishing and developing the lakeshore. Such commissions have been used and are functioning well at Cape Cod and other areas.

Section 5, governing hunting and fishing, provides that it shall be continued in areas acquired for the lakeshore in accordance with the laws of the State of Michigan.

In certain instances it may be desirable temporarily to limit hunting or fishing in certain areas of the lakeshore for certain time periods for public safety, because of intensive public use, or for other such administrative reasons. Such limitations can be put into effect only after consultation with the Michigan Department of Conservation, and it is not intended that the authority shall be utilized just to limit or prevent hunting or fishing within the lakeshore.

Section 6 states statutory sources of authority for administration and development of the lakeshore area. Subsection (b) provides guides or objectives for management of the lakeshore and it is expected that in implementing plans for renewable resources the Department of Interior will maintain the closest consultation and cooperative work with the Michigan Department of Conservation in regard to wildlife and game both in and adjacent to the lakeshore.

Section 7 makes clear that local governments can levy taxes on any interest in real estate retained by private persons within the lakeshore.

Suggestions were made to the committee that payments be made to local governments to offset any possible revenue losses. The committee has not provided for in lieu of taxpayments in any recent park or recreational area legislation because benefits to the State and localities involved should soon exceed tax losses. With the reduction in acreage from the original proposal, and the belief that the developed properties within the boundaries of Sleeping Bear Dunes National Lakeshore will, for the most part, remain permanently in private ownership, the committee feels that the loss of local tax revenues from acquisition of undeveloped land will very soon be offset by the increased tourist trade and the increased residential and commercial growth that will occur in areas adjacent to the lakeshore. Economic studies so indicate.

The provisions of Public Laws 874 and 815 provide direct Federal assistance to any local school district whose school revenues are adversely affected by Federal land acquisition. While the committee believes this will not occur, the provisions of these acts are available to assist the local school districts if it proves necessary.

Section 8 gives the Secretary of the Interior authority to acquire lands within the lakeshore boundaries and prescribes the limitations under which it may be exercised. Properties of persons offering to sell or faced with hardship must be purchased as promptly as possible. Properties of the State of Michigan and local governments can be acquired only with concurrence of the governmental unit. Every reasonable effort must be made to negotiate purchases before condemnation. The condemnation procedure may be used upon agreement between the owner and the Government for the purpose of establishing clear titles. Exchanges of land are authorized.

Section 9 authorizes the Secretary of the Interior to cooperate with local governments in development of zoning and land use planning programs, and to make payments to them to obtain technical aid.

Subsection 9(b) provides that the power of condemnation shall be suspended as to improved (residential) properties when maintained in accordance with a duly adopted, valid zoning act. Subsequent subsections govern condemnation when there is violation of zoning, requires Secretarial approval of zoning laws which meet certain minimum requirements stated in the act, and prohibit withdrawal or revocation of the Secretary's approval of a zoning ordinance so long as it remains in effect.

Section 10 permits sellers of residential property to retain tenure for 25 years or life and to transfer such retained right provided the use does not impair and become incompatible with lakeshore purposes.

Section 11 defines an "improved property" as a private, noncommercial, residential property built prior to December 31, 1962, including not less than 3 acres or all of any lesser acreage, excepting Lake Michigan beach or waters necessary for public access.

Section 12 is a legal description of the areas included in the lakeshore. Subsection (a) includes South Manitou Island. Subsection (b) is a legal description of the section on Sleeping Bear and Good Harbor Bay east of Glen Arbor. Subsection (c) is the legal description of the area south from Sleeping Bear Point to the vicinity of Crystal Lake. Subsection (d) defines the area in which the scenic parkway may be built, by map reference, and controls the acreage in the right-of-way.

Section 13 prohibits condemnation of commercial properties so long as they do not impair the usefulness and attractiveness of the seashore area, including farms, orchards, motels, rental cottages, camps, craft and art shops, marinas, professional offices, and tree farms.

Section 14 directs the Secretary to provide certificates of the status of properties exempt under the act from condemnation.

Section 15 authorizes appropriation of not more than $4,750,000 for acquisition of necessary lands for the lakeshore.

COST

The cost of real property acquisition for the Sleeping Bear Dunes National Lakeshore are estimated at not more than $4,750,000 by the National Park Service. This includes a $1,425,000 valuation on structures in the area. To the extent that residential and commercial properties are retained by owners, the Government outlay will be reduced from the $4,755,000 figure. The committee has, however, authorized the full amount since actual appropriations will be subject to review by the Appropriations Committee.

The cost estimate and authorization include acquisition of rights-of-way for the scenic parkway but not construction.

Mr. McNAMARA. Mr. President, I wish to begin by complimenting the distinguished chairman of the subcommittee [Mr. BIBLE], who is handling the bill on the floor, for his diligence, patience, and precise handling of this piece of legislation. It should be said that he made a trip to Michigan to look this area over; and the astonishing amount of knowledge he displays here today indicates how hard he has worked on the bill.

I do not want to take issue with the distinguished Senator from Oregon. We have worked together on too many matters to have that situation develop at this time. However, I wish to say for the RECORD, with respect to his statement regarding the Michigan problem, that there is no comparison between the situation in the Senator's home State and that in Michigan.

Land along the lakeshore of Michigan is fast disappearing. It is fast being taken over for various uses. This is one of the few places that will be so desperately needed, not this year, not next year, but in the very near future. We are not blessed with the great shoreline that Oregon has; and the population explosion is now affecting us rapidly. It will be a matter of only a few years when the people of the city of Detroit and other great cities in the lower peninsula will have to drive this far to get to the lakeshore.

The political situation as it involves the State of the Senator from Oregon was mentioned two or three times. I know this is something that concerns all of us. I point out to the distinguished Senator from Oregon that we have quite the reverse situation. We have seen indications of bipartisanship on the part of the committee; but, further than that, the bill introduced in the House was introduced by the Republican Representative from that district, Representative GRIFFIN. So, instead of a conflict, there is an agreement between the parties as to what should be done in this important area.

I believe this is an entirely different situation from that which exists in Oregon.

I hope, with the fine explanation that has been made, with an understanding of the minority views of the committee, and with the facts we have pointed out here, the Senator from Oregon will reconsider his position on this bill. I would be grateful to him if he did.

Mr. President, I do not want to relinquish the floor without complimenting my colleague [Mr. HART] for the great effort he has put into this matter, and for standing up in various places in the State of Michigan and taking tremendous "heat," for one reason only; namely, that he is dedicated to preserving this area for future generations. I compliment him, and I am happy to join in the effort to pass the bill.

Mr. MORSE. Mr. President, I assure my friends the Senators from Michigan [Mr. MCNAMARA and Mr. HART] that while I think it is true that there are differences in the two situations as between Michigan and Oregon, I have explained why I am concerned about the condemnation provisions of the bill.

If there is a situation in Michigan in which public necessity requires condemnation, I shall be the first one to recommend that condemnation be applied. I hope, when we get into conference, the matter can be settled very clearly, so that there will be no question about it.

I am concerned particularly, in my fears of granting unnecessary condemnation powers, because of the position taken by the minority when, on page 15 of the minority views, it is stated, "Consequently, there would not be enough public use to justify the zoning and condemnation features which are in this bill," and when earlier in the minority views serious questions are expressed as to the necessity for the condemnation procedure.

I have made my position clear. I would certainly be for every part of this bill for a public park. I do not think I am a competent witness, only because of the lack of information as to whether there is a need, based on public necessity, for condemning, or having the power of condemnation, under the parts of the bill that relate to condemnation proceedings. Therefore, I am willing to resolve my doubts in favor of the minority.

I think the record should show, because the Senator is not present, that I had a conference with the Senator from Wyoming [Mr. SIMPSON] before he left. He strongly advised me against the condemnation part of the bill, because he thought what the Interior and Insular Affairs Committee was doing was, bill by bill, building up a pattern for condemnation that would create a great deal of difficulty for Members of the Senate in some parts of the country in which it was proposed to establish public parks to object successfully to a provision for condemnation because of the fact that condemnation in those areas would not be needed. So I felt I owed it to my State and to the two Senators from Michigan to express these considerations; and I add, for the benefit of the Senator from Illinois [Mr. DOUGLAS], that the Indiana Dunes bill is not applicable to the problem I have raised. I have made my record, and will stand on it.

The PRESIDING OFFICER (Mr. JORDAN of Idaho in the chair). The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the third reading of the bill.

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

The bill was read the third time.

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

The bill (S. 792) was passed.

Mr. BIBLE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSING AUTHORITY OF PORTLAND, OREG., CLEARED OF RACIAL BIAS

Mr. MORSE. Mr. President, I have received a letter from the executive director of the Portland Housing Authority, of Portland, Oreg., in which he states:

Again, the Housing Authority of Portland has been cleared of charges of racial bias, as per attached clippings.

Our policies, procedures and actions relative to race relations and civil rights have now been investigated thoroughly by three governmental agencies at the three levels: Federal (Public Housing Administration); State (Oregon Bureau of Labor Civil Rights Division); and local (Portland City Commission on Intergroup Relations). In all of these investigations, no evidence of racial discrimination was found.

I ask unanimous consent that the entire letter be inserted in the RECORD and that two newspaper articles supporting the conclusion of Mr. Rossman, executive director, be printed in the RECORD.

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

HOUSING AUTHORITY
OF PORTLAND, OREG.,
Portland, Oreg., December 13, 1963.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR WAYNE: Again, the Housing Authority of Portland has been cleared of charges of racial bias, as per attached clippings.

Our policies, procedures and actions relative to race relations and civil rights have now been investigated thoroughly by three governmental agencies at the three levels: Federal (Public Housing Administration); State (Oregon Bureau of Labor Civil Rights Division); and local (Portland City Commission on Intergroup Relations). In all of these investigations, no evidence of racial discrimination was found.

We are asking those who have attacked us in the past to now join with us in following the often-quoted counsel of President Lyndon Johnson: "Come, let us reason together."

We have invited the Greater Portland Council of Churches to work with us in encouraging a greater degree and a better balance of voluntary racial integration in Portland's public housing through education, orientation and persuasion.

We are hopeful that these latest developments will tend to reduce racial tensions in our city.

Sincerely,

GENE W. ROSSMAN,
Executive Director.

[From the Oregon Journal, Dec. 12, 1963]

HAP AGAIN CLEARED OF RACE BIAS CHARGE

The Housing Authority of Portland has been cleared again of a charge of racial discrimination at Northwest Tower Apartments, the Journal learned Thursday.

State Labor Commissioner Norman O. Nilsen ruled there was no illegal practice following investigation of a discrimination charge by Jimmie Proctor, 58, of 1733 Northeast First Avenue, a Negro.

Proctor, who is retired and disabled, alleged he was denied a unit in Northwest Tower, Northeast Nineteenth Avenue, and Flanders Street, on the basis of race.

The complainant and HAP were notified of the ruling Thursday. Nilsen declined comment beyond saying that, as in all such matters, the determination is a private matter between the two parties.

The ruling applies only to Proctor's complaint, he said, however. Text of the ruling was not available immediately.

The late President Kennedy recently bypassed Portland and dedication of the building after the ceremony was threatened with NAACP picketing.

The incident brought about an investigation by the Public Housing Authority in Washington, D.C. It gave HAP a clean bill of health on its racial practices.

[From The Portland (Oreg.) Reporter, Dec. 12, 1963]

CHARGE OF HOUSING BIAS RULED UNSUBSTANTIATED

No discrimination was found in the case of alleged partiality in selecting tenants for

Northwest Tower, the Oregon Bureau of Labor Civil Rights Division has reported.

The charge was filed by a Negro, Jimmy Proctor, 58. His income is derived from social security disability payments.

Proctor was notified by letter Thursday from the office of Norman Nilsen, labor commissioner of Oregon, that his charge wasn't substantiated.

The Housing Authority of Portland said it had not received any official report and any statement would have to come from the board level.

Proctor had charged the HAP and Northwest Tower with listing him "800th" on the list for tenants.

He was 30th on the list when he filed a rental application October 14, 1961, Proctor claimed he was told by the investigator, Russ Peyton.

However, the report said his application was January 10, 1962.

The reason was that Proctor's uncle joined him in an application for a larger apartment on the January date. Later, Proctor's uncle withdrew and Proctor announced he wished his earlier application reinstated.

Many other applications for single apartments had been received in the interim.

A spokesman for the bureau of labor in Portland said that when Proctor's name was transferred to the single apartment list again, his name was further down the list.

The investigation lasted 10 weeks.

Proctor told the Portland Reporter Thursday, "They sided with the HAP."

According to an official report from the Federal housing administration in San Francisco, Proctor's application for a single unit was 209.

"It appears the 150 units in the tower structure will be filled and Mr. Proctor's number will not be reached during initial occupancy."

Mr. MORSE. I congratulate the Portland Housing Authority. This has been a problem which has plagued the Oregon delegation for many weeks. In my capacity as the senior Senator I was requested to make an official request. We took the position that the Federal Housing Authority should make a thorough investigation of the charges that were made by certain minority groups in our State that the Portland Housing Authority was guilty of racial bias in connection with housing practices.

The Senate may recall that in September, when President Kennedy was taking his western trip, he planned to stop off at Portland to dedicate a housing project for the elderly, and that then a controversy developed in Portland over the visit, with minority groups threatening to picket the President if he dedicated the project.

The Democrats in the Oregon delegation advised the President that we did not think he should come, because it would be very embarrassing to us. We certainly did not want any incident in our State to prove embarrassing to the Presidential party. We therefore asked the President not to come. He obliged us. We took full responsibility for the cancellation of the President's visit to Portland.

It was then that we asked for the investigation that Mr. Rossman reports to me in his letter. I am very glad that the investigation has cleared the Portland Housing Authority, and I am glad now to make it a matter of official record.

DISCRIMINATORY RATE PRACTICES

Mr. MORSE. Mr. President, Senators will recall that one of the Senate's amendments dropped in the conference on foreign aid was that defining "economically developed" countries which no longer shall be eligible for American aid. The amendment I proposed, which was adopted, referred to the resolution of the General Assembly of the United Nations on this same matter, and provided that all the same countries listed in that resolution as being economically developed would also be so considered for purposes of American aid.

The resolution named, in addition to the United States, Australia, Austria, Belgium, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Finland, France, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Rumania, South Africa, Sweden, Ukrainian S.S.R., Union of Soviet Socialist Republics, and the United Kingdom. My amendment added to that list the Federal Republic of Germany and also Switzerland, which are not U.N. members.

Under the terms of the bill as it now stands, it will be up to administrators to determine what countries shall be considered "economically developed" for aid purposes.

However, aid sent to them in the current fiscal year—1964—is not affected even by the provision in the bill because it excludes what is sent in fulfillment of "previous commitments." As a result, the military aid for these economically developed nations as defined by the United Nations will amount to several hundred millions of dollars in fiscal 1964.

Yet even as these countries are receiving American subsidies for their military forces, they are holding up the United States with a thoroughly vicious manipulation of shipping rates, the net result of which is to charge the American exporter considerably more to ship his product to Europe than a European exporter is charged to ship his product into the United States.

The ugly facts of this differential in shipping rates that discriminates against American goods in international markets was brought to the attention of Congress and the American people by Senator PROXMIRE and Senator DOUGLAS, through their work on the Joint Economic Committee.

These shipping rates are fixed by international cartels. The Federal Maritime Commission supposedly exercises some oversight to make certain that the rates are applied equally to all customers; but apparently it has exercised little supervision over the application of the rates equally to all nations.

In the statement our friend from Illinois, Mr. DOUGLAS, made in the CONGRESSIONAL RECORD of May 9, he showed that shipping rates charged American exporters of ingots, blooms, billots, and slabs of steel are 86 percent higher than the rates charged importers of the same goods hauled the same distance. To quote the Senator from Illinois:

> In the case of wire rods, 71 percent; in the case of structural shapes and piling, 69 percent; in the case of rails and accessories, 91 percent; in the case of wire nails, 34 percent; in the case of pipe and tubing, 45 percent; and in the case of barbed wire, 37 percent.

It is no wonder that as a result of these discriminatory rates on our shipping, American exports of steel have fallen by half while our imports have risen four times since 1955.

I am told that this pattern of discrimination is general among American products. The producers of American bourbon whisky, for example, point out that it costs considerably more to send a cause of bourbon to Britain than it costs to ship a case of scotch from Britain to the United States.

Within recent days, the Federal Maritime Commission issued a "section 21" order, requesting the rate conference for an explanation of the anti-American differential, or if it could not furnish one, the Commission asked that the rates be equalized.

What has the response been to this request of the Maritime Commission? In Great Britain, the response was an instruction from the British Transport Minister, Lord Marples, to all British companies to refuse to give any information to the American agency.

Lord Marples also announced he would seek to persuade other governments whose shipping is covered by these rate conferences to join Britain in refusing to honor the American request, a request which really only asks why U.S. exports are being discriminated against.

The countries he seeks to have join Britain in this refusal are Belgium, Denmark, France, Germany, Greece, Italy, Japan, Netherlands, Norway, and Sweden.

I shall not be surprised at all to read that Lord Marples has succeeded in his endeavor. After all, Great Britain prevailed on these countries to join her recently in enforcing higher international airline rates on American airlines and upon U.S. travelers, higher rates that were essential to reduce the operating losses of Britain's BOAC.

The timid men of the State Department prevailed on the President of the United States to go along with that British and European holdup of Americans, who provide the largest number of customers for oversea flights. The State Department was frightened of offending our so-called allies in Europe.

With that success behind them, I fully expect to see the same countries unite again on the issue of maritime rates. The unvarnished truth is that Britain and the countries of Western Europe are afraid of American competition. We already know that the Common Market is preparing to force out American steel. This discriminatory freight rate is only one means of doing it. It means that every ton of American steel delivered in Europe has a higher freight charge on it than 1 ton of European steel delivered in the United States before tariffs are ever applied. But to reduce the competition from the United States even more, the Common Market is preparing to raise the tariff.

Mr. President, the real reason we are taken time after time with these schemes

is because we invite it. We have been a soft touch for Western Europe so long that neither we nor they know how to act any differently. We give and they take. In this foreign aid bill we are giving them hundreds of millions of dollars worth of military hardware and military training. They are taking it. They are also taking American exporters by forcing them to pay higher shipping rates than are paid by exporters of the same goods in other countries.

When are Members of Congress and the American people going to wake up to the fact that this is not 1948, or 1952; it is 1963. The United States cannot go on forever carrying the military and economic burdens of the free world, just because we did for a few years in the 1940's and early 1950's. Europe has been restored; it is now time for the aid to stop, for the military defense to stop, for the special trade concessions to stop, and for commercial, political, and economic concessions of all kinds to stop. Europe is fully able to take care of itself.

But the pattern of our generosity toward Europe is being followed everywhere in the world. For example, we financed the Marshall plan for the economic restoration of Europe. We said, and believed, that was a wise thing to do because it would eventually enable Europe to take care of itself.

While she was being rebuilt, we sent hundreds of thousands of American troops into Europe. We did that so the resources needed for restoration would not be drained off into military purposes. In fact, the report of the Senate Foreign Relations Committee on the NATO treaty stated specifically that economic development would always have priority over the military needs of the alliance, insofar as the European members were concerned.

Yet in 1963, with Europe fully recovered and economically prosperous, with stiff competition from her growing in commercial fields, the United States is still protecting Europe with our military forces. We have not built up Western Europe so it could take care of itself at all. It is built up, and we are protecting it with American forces, anyway. The six divisions which President Johnson has promised to keep there are, of course, in addition to the overwhelming nuclear forces that would be used if any attack were launched against a NATO partner.

These episodes over the airline rates and now over the shipping rates are only typical of how slow the U.S. Government is in returning to normal relations with Western Europe. We have nurtured and babied Europe so long we do not know how to stop.

While the European example is bad in itself, it is only typical of what we are doing in other parts of the world through the foreign aid program. In one breath we say we will send a country military aid and economic aid to build it up so it can resist communism; but in the next breath we say we are sending U.S. troops, or naval forces, to protect that country against Communist attack. That costs us additional hundreds of millions of dollars in our defense budget.

Certainly the Pentagon, the State Department, and whatever administration occupies office at a given time, are never going to stop this vicious circle. They have been its instigators and advocates.

If this vicious and costly circle is ever broken, it will have to be broken by Congress, under the direction of the American people.

THE CALENDAR

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to consider measures on the calendar to which there is no objection, and I ask that the calendar call begin with Calendar No. 767 and run through to and including Calendar No. 792, with the exception of Calendar Nos. 770, 788, and 791.

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

HAROLD J. BURKE

The bill (H.R. 6468) for the relief of Harold J. Burke was considered, ordered to a third reading, read the third time, and passed.

INTERNATIONAL PRINTING WEEK

The joint resolution (S.J. Res. 109) designating the period from January 12, 1964, to January 18, 1964, as International Printing Week was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period from January 12, 1964, to January 18, 1964, is hereby designated as International Printing Week, and the President of the United States is requested and authorized to issue a proclamation inviting the people of the United States to observe such week with appropriate ceremonies and activities.

MOTION FOR NEW TRIAL ON CLAIM OF ROBERT ALEXANDER

The bill (H.R. 4505) 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 was considered, ordered to a third reading, read the third time, and passed.

HERBERT R. SCHAFF

The bill (H.R. 1532) for the relief of Herbert R. Schaff was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 790), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation to pay Herbert R. Schaff, of Altadena, Calif., $2,450 in full settlement of his claims against the United States for the value of a jeep purchased with money stolen from him, which vehicle was subsequently seized because the purchaser and the person registered as the owner were unlawfully using the jeep to transport narcotics in violation of the Internal Revenue laws of the United States.

STATEMENT

The Department of the Treasury in a letter to the Congress reports that it has no opposition to the enactment of the bill.

In its favorable report on the bill the Committee on the Judiciary of the House of Representatives has commented:

"In August of 1961, three men entered Mr. Herbert R. Schaff's home, bound him and his wife, and robbed him of $90,000 which was in his safe. One of the robbers used a portion of the stolen funds to buy a jeep automobile which he had registered in the name of another. These two individuals drove the vehicle into Mexico and upon their return across the border narcotics were found in the car, and it was summarily forfeited to the Government under section 1609 of title 19 of the United States Code. The jeep was subsequently delivered to officials of the Treasury Department in Alaska for their official use.

"When Mr. Schaff learned about the jeep, acting through his attorney, he asked for a return of the vehicle on the basis that it had been purchased with money taken from him. On November 8, 1961, the Internal Revenue office in Nogales, N. Mex., advised him that the petition for return of the vehicle could not be considered under existing laws and regulations. This fact is noted in the Treasury Department report to the committee on the bill which stated:

"'There is no legal principle that a person has an established equitable title in property purchased with money stolen from him. Furthermore, the statute authorizing discretionary relief, title 19, United States Code, section 1618, does not contemplate what would amount to adjudication by this Department of a private financial claim against property subject to forfeiture. Therefore, the petition had to be denied.'

"It is therefore obvious that Mr. Schaff's only recourse in this situation is to appeal to the Congress for legislative relief.

"The money taken in the robbery was traced to the purchase of the jeep on the basis of the police investigation. The person who purchased the jeep stated to one of the investigating officers, a deputy sheriff of Los Angeles County, Calif., that he purchased that vehicle with money taken in the robbery. Thirty-one $100 bills were used to pay for the jeep and the registration was made in the name of a woman who accompanied the purchaser to Mexico and was apprehended with him when they attempted to reenter the United States at Nogales, N. Mex.

"Mr. Schaff's request for a return of the jeep was based upon the assertion that he in fact had "equitable" title to the jeep, since it was purchased with money taken from him. As has been noted, the Treasury Department held that this did not form the basis for a return of the property. However, the committee feels that relief is justified by reason of the fact that it is analogous to the return of property permitted under the customs laws. In addition, the Treasury Department has indicated that it would have no objection to enactment of the bill."

MARVIN M. GREENLEE

The bill (H.R. 2292) for the relief of Marvin M. Greenlee was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 791), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to pay Marvin M. Greenlee, of Fairbanks, Alaska, $5,000 in full settlement of his claims against the United States for the expenses he incurred in salvaging a Marine Corps helicopter HRS–2, which crashed December 5, 1952, on San Gorgonio Mountain, Calif.

STATEMENT

The Department of the Navy, in a report submitted to the House Committee on the Judiciary in the 87th Congress, opposed this bill on the ground that the salvage operation was not authorized, and judgment was given against Mr. Greenlee in Federal court where the Government defended on its immunity to a suit in contract on an implied-in-law basis.

On December 5, 1952, Marine Corps helicopter HRS–2 Buno 129037 crashed into the north side of San Gorgonio Mountain in California at the 9,200-foot level. The weather conditions of the winter months made salvage impossible until spring.

As spring approached, Mr. Greenlee became interested in salvage of the helicopter. He contacted Maj. Walter M. Vatcher, USMC, of El Toro Marine Base, who agreed to inspect the helicopter with him. About April 25, 1953, they inspected the aircraft and Major Vatcher decided the Marine Corps couldn't recover it and the helicopter would have to be destroyed. Mr. Greenlee then offered to salvage it for the Marine Corps with compensation or for his own benefit if the corps would convey title. Major Vatcher said he thought it could be arranged.

The following day Mr. Greenlee went to the Marine base and met with Colonel Carlson, USMC, the commanding officer. No one on the base knew the procedures to give a contract for salvage or convey title, so Colonel Carlson stated that he would send Major Vatcher to San Diego naval headquarters to secure a contract for salvage or, that failing, to declare the aircraft abandoned and convey title to Mr. Greenlee.

About May 4, 1953, Major Vatcher phoned Mr. Greenlee and told him that naval officials in San Diego had said that the final decision would have to be left to the officer of El Toro Marine Base in charge of salvage, a Major Cole, USMC. However, Major Cole was in Washington and would not be back for 2 or 3 days.

After 2 weeks, Mr. Greenlee called Major Vatcher who said that Major Cole had not returned yet. Mr. Greenlee found that parts were being stripped from the aircraft and reported it, but Major Vatcher was unconcerned.

After 2 more weeks, Mr. Greenlee again called Major Vatcher but Major Cole was still away. Another visit to the helicopter showed that further looting had taken place.

Considering that the aircraft might technically be abandoned, Mr. Greenlee consulted the Air Force base to find out if this view would be valid. He was told that if he held the opinion that it was abandoned he should contact the Secretary of the Treasury under title 40, section 310, United States Code Annotated. He started to do this but on hearing a rumor that looting was about to take place on a large scale, he decided that an emergency operation was necessary to protect what was left of the aircraft. This is supported by the affidavit of another. He stated that he was starting salvage operations in his letter and sent copies of this letter to the El Toro Marine Base, to the Forestry Service, and others.

The next 3 weeks were spent in removing the helicopter, part by part from the mountain. Toward the end of the removal process marines showed up on their way to destroy the aircraft and bury it. On hearing that Mr. Greenlee was removing it successfully, they went fishing for 2 days. Mr. Greenlee told them where he was taking the helicopter and said he would be in touch to make final arrangements.

On calling the base the next day to discuss the arrangements, he was threatened with arrest if he did not return the aircraft. The U.S. attorney and the FBI gave Mr. Greenlee 3 days to return the plane or be arrested. Under this pressure from the U.S. Marine Corps, the U.S. attorney, and the Federal Bureau of Investigation, Mr. Greenlee surrendered the helicopter.

The next year was spent in trying to obtain compensation for the recovery of the aircraft administratively. This was denied.

A suit brought in Federal court was decided for the Government but the judge, while holding for the Government on the basis of the Government's immunity to an implied in law suit, said: "I feel that Mr. Greenlee should be pretty much commended for what he did, and if the parts retrieved were useful and had value it seems to me that some arrangements might be made to pay him." A good deal of weight is accorded these remarks of Judge Jertberg, now of the Federal court of appeals since he had the parties and the facts under direct study.

This is a unique situation where there is an aircraft down which the military holds no hope of salvaging itself and prompt action was necessary for any salvage. Mr. Greenlee did volunteer but was given every unofficial assistance that he would get the job. The only doubt seemed to be whether he would get it as owner of the helicopter or as an agent for the Government. Over the weeks looting had been taking place (the front wheels, all the instruments, all the radio equipment and some parts from the engine accessory section had been taken) and there was a rumor that as complete as possible a job of looting was about to take place. The situation demanded prompt action. While admitting that he was also interested in profit in his letter to the Secretary of the Treasury, he asserts as his principal reason the mutual loss that would result to both himself and the Government if he did not act. The fact that he did notify the Secretary of the Treasury of what he was doing and where he was going to store the parts would preclude any doubt as to his good faith.

As to his judgment in undertaking salvage, we can see that it did save many parts of an aircraft, one part of which alone was worth $15,000, and while the total value received by the Government cannot be determined because of the lack of records, it can only be assumed that a man of Mr. Greenlee's experience would not salvage equipment if it weren't valuable. The cost of the helicopter to the Government was $150,000.

The Government defended a suit by Mr. Greenlee on the basis of an implied-in-law contract by asserting its immunity from suit on that basis. For this reason the claim is here. There is Mr. Greenlee's affidavit as corroborated by the independent affidavits of two others as evidence of the encouragement he was given by Major Vatcher. The Navy report asserting that Mr. Greenlee told the Marines that he had authorization, must have resulted from misunderstanding on their part since it is not supported by either of the affidavits of two other men and both of them swear that Mr. Greenlee told the Marines that he would call the base to arrange for the written authorization.

Considering the encouragement received from a major and later a colonel, both of the Marine Corps, the emphasis on the mere formality of the approval of Major Cole, the openness of Mr. Greenlee, the opinion of Judge Jertberg, of Federal District Court for the Southern District of California, that "some arrangement might be made to pay" Mr. Greenlee, and that "Mr. Greenlee should be pretty much commended for what he did," with the fact that a valuable service was rendered to and accepted by the United States, there appears an equitable duty on the part of the Government for some compensation. It is concluded that Marvin M. Greenlee should be allowed $5,000 in full settlement of his claim for $10,524.52 as compensation for the salvage of a $150,000 helicopter that would otherwise have been a total loss. The committee is of the opinion that this is a meritorious claim and recommends that the bill be considered favorably.

CLAY COUNTY HOSPITAL, BRAZIL, IND.

The bill (H.R. 2364) for the relief of the Clay County Hospital, Brazil, Ind., was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 792), explaining the purposes of the bill.

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

STATEMENT

The Office of Civil and Defense Mobilization makes financial contributions to the States and their political subdivisions for civil defense purposes under the authority contained in section 201(i) of the Federal Civil Defense Act of 1950, as amended. This section authorizes the director to prescribe terms and conditions upon which said financial assistance is made to the States. Pursuant to this authority, the OCDM prescribes the criteria upon which this financial assistance is made available to the States and through the States to their political subdivisions.

The Clay County Hospital, on July 21, 1959, acquired an emergency standby generator at a cost of $14,115 which in all respects qualified as an appropriate item for which a 50-percent Federal contribution is authorized.

Through an administrative inadvertence on the part of a hospital official the project application for the standby generator was not submitted to the State civil defense office until July 1960, at which time funds available during the fiscal year 1961 could not have been used to pay for one-half the cost of the generator. It was stated to the hospital when the application for the generator was prepared on June 15, 1960, that no funds were available for fiscal 1959–60 and to submit the application during fiscal 1960–61. This was done on the aforesaid July 6, 1960. It was stated also that the Battle Creek office of OCDM verbally recommended delay of the application for the above-related reason and resubmission after July 1, 1960, for special attention.

The generator itself was designed to meet civil defense disaster plans and specifications and it was flatly asserted that the generator was initially obtained to meet a recognized civil defense requirement; that the requisite paperwork was not accomplished in the prescribed time because the person charged with that responsibility was unable to devote sufficient time to his civil defense work. Furthermore, the hospital is located in an area immediately approximate to the large cities of Indianapolis and Terre Haute and a nuclear attack would result in thousands of persons seeking refuge at the hospital, especially so inasmuch as the two adjacent counties have no hospitals and since prevailing winds, from the southwest in this area, would make the hospital and the city of Brazil an evacuation point for

the Indianapolis area. All these considerations and the emergency use for the described generator were considered in planning the hospital's emergency power situation.

The Clay County Hospital project application for a standby generator was never submitted to the OCDM regional headquarters by the Indiana State headquarters because they knew it would be rejected. The Comptroller General has ruled that project applications may not be approved where the procurement has occurred prior to the availability of the Federal appropriation (31 Comp. Gen. 308, Jan. 17, 1952). Therefore, funds available during the fiscal year 1961 could not have been used to pay for one-half of the cost of the generator.

The Office of Civil and Defense Mobilization, in reporting on an identical bill for the relief of this claimant in the 87th Congress, advised the House Judiciary Committee that that agency cannot recommend favorable consideration in the instant case and pointed out that approval of this bill would form a basis for favorable legislative action in similar situations and would defeat the above-mentioned Comptroller General's ruling.

The committee is of the opinion that the facts outlined above create a situation justifying legislative relief. This committee in the 87th Congress recognized the equities of the situation in a similar situation whereby favorable consideration was granted to Elmore County, Ala., in settlement of that county's claims for reimbursement for one-half of the cost of certain civil defense communications equipment (H.R. 555, 87th Cong., 2d sess., act of October 23, 1962). The situation here is analogous to the legislation for Elmore County, Ala., and the committee therefore recommends favorable consideration of H.R. 2364, without amendment.

Attached hereto and made a part hereof is a report submitted by the Office of Civil and Defense Mobilization on a similar bill of the 87th Congress and other evidentiary data relating to this claim.

JESSE LEIGH, JR.

The bill (H.R. 4099) for the relief of Jesse Leigh, Jr., was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 793), explaining the purposes of the bill.

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

STATEMENT

The facts regarding this legislation are contained in House Report 739 on H.R. 4099, and are as follows:

"The Department of the Army, which has no objection to the bill, reports that the Army vehicle involved was taken without authority from a bivouac area near Patrick, S.C., on the evening of August 5, 1961, by a member of an Army transportation unit. While proceeding through Hamlet, N.C., that evening, he failed to yield the right-of-way in turning left at an intersection and collided with the car owned by Mr. Jesse C. Leigh, Jr., and driven by his son causing damage to it to the extent of $826.21. Investigation by the Army did not disclose any evidence of contributory negligence on the part of Mr. Leigh's son.

"Mr. Leigh filed a claim against the United States for damage to his automobile, but it was denied on the ground that no authority existed to compensate Mr. Leigh because the driver of the truck who caused the accident was not acting within the scope of his employment. The Federal Tort Claims Act (28 U.S.C. 2672) does not cover nonscope accidents such as this. However, subsequent to the accident, the Congress enacted Public Law 87-769 on October 9, 1962, which does permit the Secretary of the Army to settle claims occurring after that date for personal injury or property damage not exceeding $1,000 when caused by a member of the Armed Forces incident to the use of a Government vehicle.

"In the light of this legislative policy expressed in an enactment covering such claims after the accident occurred and the clear responsibility of the soldier causing the accident, it seems only proper that relief should be provided for Mr. Leigh.

"Investigation has disclosed that in addition to the collision damage of $826.21, Mr. Leigh also expended $190 for rental of a substitute vehicle during the period August 6 through 25, 1961, while his automobile was being repaired. He collected the sum of $726.21 from the Hartford Insurance Co. under his $100 deductible collision coverage, leaving the sum of $290 uncompensated out of the total $1,016.21 in damage. Mr. Leigh has reported that the insurance company indicated it is not interested in recovering the $726.21 subrogated.

"Under the facts and circumstances the committee feels it just and proper that Mr. Leigh be paid the sum of $290 and accordingly recommends that the bill be considered favorably."

After a review of the foregoing the committee is of the opinion that the legislation is meritorious and, therefore, recommends that the bill, H.R. 4099, be considered favorably.

Attached hereto and made a part hereof is the report submitted by the Department of the Army under date of August 2, 1963.

W. V. GRIMES AND OTHERS

The bill (H.R. 4759) for the relief of W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 794), explaining the purposes of the bill.

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

STATEMENT

The facts of this case and conclusions of the House Committee on the Judiciary are set forth in House Report 741:

"In January of 1961, W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou were employed by the supervisor of shipbuilding, U.S. Navy, at Newport News, Va. At that time there was a reduction in the ungraded force of the supervisor of shipbuilding. These employees accepted Classification Act positions in lieu of other reduction-in-force action. The activity unfortunately retained the ungraded salary rates for these individuals when assigning them to a lower paying Classification Act position. The supervisor of shipbuilding applied section 507 of the Classification Act of 1949, as amended, 5 U.S.C. 1107. The provisions of this section provided for the retention for 2 years of the higher rate of pay, or a change to a lower grade, when both positions are Classification Act positions. However, these employees were changed from ungraded positions to Classification Act positions and were not entitled to retention of the higher rates. The activity discovered the error when adjusting the salaries of these individuals under the Federal Salary Reform Act of 1962. At that time the activity requested authority to waive collection inasmuch as the overpayments were through administrative error and the employees had no knowledge of them. No authority, however, was available to such a waiver and salaries were changed as of December 22, 1962, for those employees who were still on the rolls and collection action was initiated.

"As is noted in the Navy report, the records of that Department reveal the following amounts to be the exact overpayments in each case:

W. V. Grimes	$180.04
James A. Powell	2,360.00
Frank Grove	1,840.00
Harry P. Nash, Jr	376.32
Michael J. Neofitou	141.60

However, the committee finds that the figures noted above differ from those stated by the General Accounting Office which are those included in the committee amendment.

"The Department of the Navy in its report made no objection to legislative relief for these five individuals and stated in this connection:

" 'The Department of the Navy recognizes that the overpayments in question here resulted from an administrative error on the part of the Government and that the employees bear no fault whatever. Accordingly, the Department of the Navy interposes no objection to the enactment of legislation for the relief of the above-named individuals in the amounts shown. It appears that either H.R. 4759 or H.R. 5300 could be amended to effect this purpose.'

"The committee has carefully considered the circumstances of these cases and finds that they are proper subjects for legislative relief. The impact of the requirement of repayment has created unusual hardship for these men.

"Mr. W. V. Grimes is 69 years of age. He retired in June of 1961, because of the permanent disability. The disability prevented him from supplementing his income by outside employment. His wife is also permanently disabled and medical costs for the couple are unusually high. His retirement check is small and the couple has no savings and are presently attempting to pay off indebtedness incurred prior to the outset of Mr. Grimes' disability. The committee is advised that the costs of maintaining himself and his wife have made it impossible for Mr. Grimes to make the refund which is the subject of the bill.

"Mr. James A. Powell is also 69 years of age. In a letter in the committee files dated February 21, 1963, Mr. Powell stated that he was then on terminal sick leave pending retirement for disability. Upon retirement, his only income would be his retirement check. He too had no savings and repayment of the amount stated in the bill would constitute a hardship to him.

"Mr. Grove is 68 years of age and has only a short time left until he reaches mandatory retirement age. He has no savings and his only asset is a small home. He and his wife are not qualified to receive social security payments and he must look to his civil service retirement as his sole source of income after retirement. It is obvious to the committee that here also repayment would work a hardship.

"In April of 1961, Mr. Harry P. Nash, Jr., became a victim of rheumatoid arthritis and was forced to discontinue his work. After using his accumulated sick and annual leave, he retired on disability in April of 1962. He is 50 years of age and is still unable to work and has no accumulated savings. He is still under medical care and faces the burden of the cost of that care. Here too the committee finds that overpayment will work a hardship.

"The Department of the Navy has brought to the attention of the committee that Michael J. Neofitou was also overpaid in the same manner as the persons referred to above. In the interests of equal treatment and a uniform settlement of the matter, his name has also been included in the amendment proposed by the committee."

The foregoing facts indicate that these instances satisfy the committee's criteria in such relief cases; namely, error on the part of the Government, good faith on the part of the employee, and hardship if repayment were to be enforced. The committee believes these cases to be meritorious and recommends favorable consideration of the bill.

Attached are (1) letter from the Department of the Navy, dated June 21, 1963, and (2) letter from the Comptroller General of the United States, dated May 20, 1963.

ROBERT G. BAGBY

The bill (H.R. 5746) for the relief of Robert H. Bagby was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 795), explaining the purposes of the bill.

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

STATEMENT

The facts of this case and the conclusions of the House Committee on the Judiciary are set forth in House Report 744:

"The favorable report of the Post Office Department on H.R. 5746 states that when Mr. Bagby was first appointed to a position in that Department on June 26, 1944, through error he was not allowed credit for the years he spent in military service. The resulting delay in earned promotions and underpayment of compensation was not discovered until 1959. By settlement of February 18, 1960, a salary adjustment in the amount of $2,545.96 was paid to Mr. Bagby for the amount of underpayment for the period March 2, 1949, to April 1, 1955. However, the statute of limitations precluded administrative settlement from July 16, 1948, to March 1, 1949, for which the sum of $478.68 is due.

"The Comptroller General of the United States expresses opposition to H.R. 5746 on the ground that to waive the statute of limitations is detrimental to the effective operation of the statute because it establishes an undesirable precedent for others to seek similar legislation.

"Since this bill would only place Mr. Bagby in a pay status similar to that occupied by employees who were correctly promoted and would only reimburse him for salary actually earned, but not received through error by the Post Office Department, the committee has concluded that in equity and good conscience the payment should be made."

This committee takes notice of the great complexity of the regulations governing the pay status, promotions, and retirement benefits of Government employees. Failure of an employee to have full knowledge of the various entitlements of his position is not, in the committee view, laches. Further, the Government has received the benefit of the claimant's services for which the sum here claimed was properly payable. The committee concurs in the report of the House Judiciary Committee and recommends that H.R. 5746 be given favorable consideration.

Attached are (1) letter from the Comptroller General of the United States, dated May 13, 1963, and (2) letter from the Post Office Department, dated July 12, 1963.

RUDOLPH SANDERSON

The bill (H.R. 6181) for the relief of Mr. Rudolph Sanderson, of Meriden, Kans. was considered, ordered to a third reading, read the third time, and passed.

H. W. ROBINSON & CO., INC.

The bill (H.R. 6807) for the relief of H. W. Robinson & Co., Inc. was considered, ordered to a third reading, read the third time, and passed.

FURTHER COMPENSATION TO MRS. JOHNSON BRADLEY FOR CERTAIN LAND IN ODANAH, WIS.

The bill (H.R. 7019) to provide further compensation to Mrs. Johnson Bradley for certain land in the village of Odanah, Wis., was considered, ordered to a third reading, read the third time, and passed.

ANGELO COPPOLA

The bill (S. 1017) for the relief of Angelo Coppola was considered, 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, for the purposes of the Immigration and Nationality Act, Angelo Coppola shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

WOO ZEE-CHING

The bill (S. 1328) for the relief of Woo Zee-Ching was considered, 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, for the purposes of the Immigration and Nationality Act, Woo Zee-Ching shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ARCHIE L. DICKSON, JR.

The bill (S. 1445) for the relief of Archie L. Dickson, Jr., was considered, 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 (a) the Secretary of the Air Force is authorized and directed to determine the amount and effective date of the retirement pay to which Archie L. Dickson, Junior, would have been entitled if (1) the Office of the Surgeon General of the Army in reviewing his case in 1945 and 1946 had found that the said Archie L. Dickson, Junior, was, at the time he was relieved from active duty in 1946, permanently incapacitated for active service and that his incapacity for active service was the result of an incident of service as a commissioned officer in the United States Air Force incurred in line of duty not due to his own misconduct and such a finding had been approved by the President or his delegate, and (2) the Department of the Air Force thereupon had certified Archie L. Dickson, Junior, in the grade of first lieutenant to the Veterans' Administration for the receipt of retired pay under the Act of April 3, 1939 (53 Stat. 557; 10 U.S.C. 3687).

(b) Upon such determination, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Archie L. Dickson, Junior, after deducting any disability compensation he has received from the Veterans' Administration, retired pay in such amount upon the conditions which would have been applicable if such certification had been made pursuant to the Act of April 3, 1939 (53 Stat. 557; 10 U.S.C. 3687).

(c) From the date of enactment of this Act it shall be held and considered that Archie L. Dickson, Junior, has been retired for physical disability and the Secretary of the Air Force is directed to pay him retired pay accordingly.

ROZA FEUER

The bill (S. 2073) for the relief of Roza Feuer was considered, 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, for the purposes of the Immigration and Nationality Act, Roza Feuer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CONSTANTINOS R. GRIGORAS

The bill (H.R. 1560) for the relief of Constantinos R. Grigoras was considered, ordered to be engrossed for a third reading, read the third time, and passed.

JOSE L. RODRIGUEZ

The Senate proceeded to consider the bill (S. 439) for the relief of Jose L. Rodriguez which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Jose L. Rodriguez shall be held and considered to have retained his priority on the quota waiting list as of March 24, 1952, the date on which he first registered as an intending immigrant.

The amendment was agreed to.

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

NINA MARIA CARMELA FIORE

The Senate proceeded to consider the bill (S. 2071) for the relief of Nina Maria Carmela Fiore which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the name "Carmela", to strike out "Fiore" and insert "Pirritano", and in line 7, after the word "fee.", to strike out "Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Nina Maria Carmela Pirritano shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The amendments were agreed to.

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

The title was amended so as to read: "A bill for the relief of Nina Maria Carmela Pirritano."

YON OK KIM AND OTHERS

The Senate proceeded to consider the bill (*H.R. 1887*) for the relief of Yon Ok Kim, Chang In Wu, and Jung Yol Sohn which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 205(c) of the Immigration and Nationality Act, a petition may be filed in behalf of Chang In Wu by Mr. and Mrs. Robert Ainley, citizens of the United States, pursuant to section 205(b) of the said Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "A bill for the relief of Chang In Wu."

BILL PASSED OVER

The bill (S. 2125) to revitalize the American gold mining industry was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HUMPHREY. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

LEGISLATIVE JURISDICTION OVER CERTAIN FEDERAL ENCLAVES—PRINTING OF ADDITIONAL COPIES OF HEARINGS ON S. 815

The resolution (S. Res. 236) to print additional copies of hearings on S. 815, to adjust legislative jurisdiction over certain Federal enclaves was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of the hearings on S. 815, a bill to adjust legislative jurisdiction over certain Federal enclaves, held before its Subcommittee on Intergovernmental Relations during the Eighty-eighth Congress, first session.

PRINTING AS SENATE DOCUMENT OF TRIBUTES BY MEMBERS OF CONGRESS OF THE LATE PRESIDENT JOHN F. KENNEDY

The 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 was considered and agreed to, 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.

ADMISSION TO AMERICAN REGISTRY OF CERTAIN VESSELS

The bill (H.R. 1211) to admit the vessels *Fort Town, Maple City,* and *Windmill Point* to American registry and to permit their use in the coastwise trade was considered, ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, Calendar No. 793, S. 469 is identical with Calendar No. 792, H.R. 1211, which has just been passed. In order to expedite the legislative process, I am sure the Senators from New York will wish to have Calendar No. 793, S. 469, indefinitely postponed. The RECORD will indicate that the bill the Senate has passed is identical with the bill which was introduced by the Senators from New York.

Mr. JAVITS. That is fine.

The PRESIDING OFFICER. Without objection, Senate bill S. 469 will be indefinitely postponed.

Mr. KEATING. Mr. President, I move to reconsider the vote by which H.R. 1211 was passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEMORIAL TRIBUTE FOR JOHN F. KENNEDY

Mr. MANSFIELD. Mr. President, I ask unanimous consent to insert in the RECORD an outstanding sermon by Rabbi Henry Segal, of Temple B'nai Israel. This sermon was delivered before a gathering of more than a thousand persons who assembled spontaneously before noon on the national day of mourning proclaimed by President Johnson. The physical miles separating the B'nai Israel Synagogue in which these people had gathered for a memorial service, and St. Matthews Church in which world figures had gathered for the funeral services for John Fitzgerald Kennedy, were dissolved by the grief that bound both congregations in spiritual unity.

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

MEMORIAL TRIBUTE HONORING THE MEMORY OF JOHN FITZGERALD KENNEDY, 35TH PRESIDENT OF THE UNITED STATES OF AMERICA, DELIVERED ON MONDAY, NOVEMBER 25, 1963, AT 11 A.M. AT B'NAI ISRAEL SYNAGOGUE, 16TH AND CRITTENDEN STREETS NW., WASHINGTON, D.C., BY RABBI HENRY SEGAL

On January 20, 1961, the great American poet, Robert Frost, declaimed the poetic augury which he had penned, that with the inauguration of John Fitzgerald Kennedy as the 35th President of the United States, an age of poetry and power was commencing in Washington.

On this 25th day of November 1963, 2 years, 10 months and 5 days after that cold, snow-mantled and sun-drenched day of promise, when, alas, the heavy pall of gloom, in the wake of sudden, dark and bloody tragedy, has hushed the poetry and cut off the power of this great young profile in courage, we recall a verse from another beautiful poem from the pen of Robert Frost, "Stopping by Woods on a Snowy Evening," in which we discern a parable, poignantly depicting the shockingly incredible character of this unspeakable tragedy.

"The woods are lovely, dark and deep,
But I have promises to keep;
And miles to go before I sleep,
And miles to go before I sleep."

On Friday, November 22, 3 short days ago, this young and fearless champion of freedom started out in the company of his young, beautiful, and lovely helpmate, full of life and vigor, cheered by the friendly welcome of thousands who came to watch him gallantly continuing his eloquent intellectual combat with the forces of hate and bigotry. He was deeply aware of the "promises he had to keep," confident in the hope that he still had "miles to go before he slept, miles to go before he slept." Our Nation and the whole world shared his hope and confidence, and looked forward to the many more miles he had to go, the many more years of brilliantly competent and dedicated service that he had in him yet to give to an eager, free world sorely in need of a true champion such as he was. The future looked bright and promising, and the victories he had won for freedom and peace thus far seemed to augur greater and more decisive victories he would yet help the free world win in the months and the years ahead. And all of a sudden, out of nowhere, it seemed, death-dealing shots rang out and found their deadly mark in the stately, regal frame of this brave and intrepid warrior, cutting his life off at its prime, and leaving his loving wife widowed, his darling children orphaned, and a nation and a whole world bereft of their most formidable and distinguished defender against the sinister forces of darkness.

With heads bowed in sorrow, hearts heavy with grief, and eyes blurred by tears of weeping, we, together with millions all over the world, have these past 3 nightmarish days watched the lifeless, mortal remains of this classically immortal leader being brought back to this beautiful and historic Capital of our Nation, the scene of

his beautiful and happy family life, and the arena of his brilliant and triumphal career as a leader of men, to be borne on his final journey to his eternal resting place in the hallowed ground directly across from the memorial honoring another great martyred champion of human freedom, Abraham Lincoln.

At the close of his inspiring biography of Abraham Lincoln, Carl Sandburg, the sage American poet, very significantly entitles the chapter in which he tells of the tributes voiced about the great emancipator after his death by the hand of a deranged assassin, "A Tree Is Best Measured When It Is Down." Perhaps unbeknown to himself, Carl Sandburg was thus paraphrasing a Hebrew proverb: Bi'nefol eytz rom ve'nisso yeyro'eh el nochon komoso, u'vemoss odom godol neyda el nochon geduloso ve'tzidkoso—"Just as when a tall, sturdy and stately tree is felled, one can best measure its true height, so, too, when a great man dies, it can best become known how truly great and righteous he was." This has been sublimely true of the 16th President of the United States, Abraham Lincoln, the true stature of whose greatness has grown immeasurably with the passing of the years; and this is also unquestionably true, and will become ever more manifestly true of the martyred 35th President of the United States, John Fitzgerald Kennedy. Our rabbis of old were wise with the sense of history when they said: Gedolim tzaddikim be'missosom yosseyr mi'be'chayeyhem—"The great, righteous spirits among men are greater after death than during their lifetime." Not only is this true because the legend of a famous man's life grows, but because only in the passing of time can his true greatness be revealed.

The loss which has now been inflicted upon us and upon the whole world is an immeasurable and irreparable one. But time will prove more and more how very severe a loss this is, for it will tell how great was the influence of John Fitzgerald Kennedy upon his time, how deep and abiding was his mark upon history, and how truly creative were his achievements. Whatever we have loved, honored and benefited by in this great and good man, is ours for as long as life shall last for our Nation. What he was and did has become part of us, "interfused with our lives, blended with our hearts, minds and memory, joined to our souls," and merged with the rich legacy of our priceless American heritage. There is in us—there must be—the resolve that the good we knew and revered in him shall live in ourselves, and be passed on to the generations yet to be, immortal with God and with men.

When Abraham Lincoln died a martyr in the cause of human freedom, over doorways, in store windows, on arches spanning streets, were signs on which ran the legend, in the words of the Book of Genesis about the first Abraham, the Patriarch of Israel, "And The Lord Blessed Abraham In All Things",—V'adonoy beyrach es avrohom ba'kol.

That was positively and profoundly true of John Fitzgerald Kennedy. God blessed him, indeed, in all things. God blessed him with attractive good looks, and he cultivated in himself a good conscience. God blessed him with a brilliant mind, and he nourished in himself a great heart. God endowed him with the blessing of eloquence of speech, and he employed it to express the sincerity and truthfulness of his spirit. God blessed him with the gift of prophetic vision, and he used it to show a whole world the way to righteousness. God blessed him with an unmatched personal charm, and he carried himself with impeccable dignity and self-respect. God blessed him with a wonderful family, and he reciprocated with unswerving loyalty, love, and respect. God blessed him with the vigor and dynamism of youth, and he never failed to defer with deep reverence to those older than he. God blessed him with the gifts of greatness, and he bestowed their fruits on others with goodness. God brought him into riches, and he chose to be generous in sharing them with others less fortunate. God blessed him with wisdom, and he broadened it with a holy curiosity that thirsted for more and more knowledge and understanding. God blessed him in the fullest measure, but he chose to be himself a blessing unto multitudes not so richly blessed. He made us see the truth that God dwells not in temples made of stone and mortar, but in the great hearts and noble spirits of richly gifted men.

He gave us and all of humanity at fearful cost to himself a vision, a hope, a promise of a beautiful and good world of tomorrow, a tomorrow that he, alas, cannot now return to share. He infused in us the aspiration to make man's brightest dreams come true, dreams that for him must now, alas, remain unfulfilled. He "paid for our dreams with his blood, the blood of youth, pulse, and passion. This was the cost to him, the cost unspeakable." God grant that we be worthy.

To him, as to us, "life on earth was fair and bright." He loved the busy world and the works of its people. He loved his home, his family, his intimates, and his friends. He loved life, but, more than life itself, he loved "the virtue that mankind must live by," the truth that he saw being trampled, the freedoms that he witnessed being stifled, the visions that he beheld being blurred, profaned, and forgotten. "He loved honor and duty, and he gave to honor and duty his 'last full measure of devotion.'" With undaunted courage he fought for what he believed, and he died giving battle to hypocrisy.

He strove for truth, and when he found it, spoke it without fear. "When he saw evil, he cried out against it. He felt in his own heart the pain of injustice done to others, and he condemned oppression and fought for liberty."

He had "the power and the outreach of mind," with which he strove to light "the dark places of fear and ignorance," giving new understanding to multitudes, and leading us all to a "rediscovery of our unused resources."

He remembered with gratitude the "benefits which came to us from bygone ages, and he strove to make us worthy of our inheritance," by teaching us how "to sow much that shall be worth harvesting in the future."

He was part of all that looked and moved forward, and he inspired us to grope toward new frontiers, and to toil for better days to come.

He had a friendly face, showing a warm heart. He could make high professions real by joining them to high attainments. He could voice beautiful and eloquent words, revealing noble thoughts. He "weighed his words carefully, and his words carried weight with men everywhere." He was truly a great voice, not a mere echo.

He understood that man cannot have "peace without pain, security without sacrifice," and that we must assume the responsibilities of peace, so that we may be spared the frightful cost of war.

Above all, he strove to show all "other nations of the world an America to imitate," the image of a nation that truly prizes freedom and denies it to no one, the likeness of a people that loves fair play and deals honestly with all, and that keeps undimmed man's faith in God and in man.

He chose rather to "fail in a noble cause that must in the end succeed, than to succeed in an unworthy cause that must ultimately fail." Without fear he answered the call of duty, and joined battle with wrong, that right might triumph.

May the supreme sacrifice he made in this battle inspire us to melt away all bitterness and hate, to turn all harshness into gentle compassion and mercy, to displace all enmity with friendly understanding. If so much that was so precious in this great and good man can so soon be lost, may we forever cherish what remains with us as the priceless legacy of his life, and, by its inspiration learn to cultivate, nurture and help to increase the things precious in the lives of all the children of man.

As John Fitzgerald Kennedy goes to meet his Maker, the Lord will surely welcome him into the illustrious company of the great and noble spirits of all time, with the verdict about his life and work, "well done."

May the "poetry and the power" of his life not have been hushed and cut off forever, but may it live in us, as his spirit shall keep marching on. May we help fulfill the promises he strove so hard to keep before he went to sleep for we have many "miles to go" before we shall merit to receive from God and from history, likewise, the verdict about our performance of the great tasks remaining before us, "well done."

TRIBUTE TO SENATOR MANSFIELD

Mr. DIRKSEN. Mr. President, the Chicago Daily News on Saturday, December 14, carried an editorial under the caption "A Hero for All Modest Men," which is indeed a wonderful salute to the majority leader, Senator MIKE MANSFIELD. I ask unanimous consent to have it made a part of my remarks.

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

A HERO FOR ALL MODEST MEN

MICHAEL J. MANSFIELD, of Missoula, Mont., wriggled into the U.S. Navy in World War I at the age of 14. From there to the U.S. Senate is a long jump, from which it might be assumed that the jumper took off from a mat of swaggering nerve and flashy bombast.

Nothing could be further from the truth. MANSFIELD earned a graduate degree, became a college teacher of history, and offered himself on merit to the voters. Last week he penned a lecture on personal integrity that could serve as a text for all modest men everywhere.

Under attack as majority leader because of legislative delays, he compared records and found nothing for which to apologize. He then expressed his preference for quiet achievement over flamboyant pretense in phrases that should get into the textbooks:

"I am neither a circus ringmaster, the master of ceremonies of a Senate nightclub, a tamer of Senate lions, nor a wheeler and dealer. * * * When the Senate saw fit to designate me as majority leader, it was the Senate's choice, not mine, and what the Senate has bestowed upon me it is always at liberty to revoke.

"But so long as I have this responsibility, it will be discharged by me to the best of my ability by me as I am. * * * I shall not don any mandarin's robes, or any skin other than that to which I am accustomed in order that I may look like a majority leader or sound like a majority leader. * * * I am what I am and no title, political facelifter or imagemaker can alter it."

It may be that a flourish of pomp and even arrogance would be helpful to the majority leader, but we should think MANSFIELD's colleagues would be flattered to be told that he considered the proper tool of a majority leader to be the quiet voice of reason and not a cattle prod. Speaking for ourselves, we find much to admire in the words and actions of this unpretentious man.

NO ANSWER FROM NCI AFTER 52 DAYS

Mr. DOUGLAS. Mr. President, on October 16, 1963, after examining some 504 cases which were presented to them by Drs. Ivy and Durovic, the National Cancer Institute announced that, in the judgment of the committee, Krebiozen was not effective in the treatment of cancer and that they would not therefore test the drug.

I had a number of serious questions about their report because their proceedings were secret, neither the members of the committee, nor the place where they met, nor the procedures which they established were known either to the public or to the sponsors of the drug prior to their announcement.

Second, the committee did not see a single patient or a single doctor who had treated a patient.

In the third place, Dr. Andrew Ivy, the drug's chief scientific sponsor, was refused the right even to appear before the committee.

In addition to this, the NCI has refused to make available for independent analysis and review the results of their study.

Furthermore, they judged these cases by extremely harsh standards and threw out all the cases in which there was a decrease in pain or the withdrawal of narcotics, all the cases in which tumor growth was arrested, and all the cases in which the tumors actually regressed but which the regression did not exceed 50 percent.

Since, according to verbal statements made to my assistant, Howard Shuman, the Cancer Institute routinely tests thousands of substances a year on animals and at least a hundred substances a year on humans, it is clear that the standards they established merely to determine whether they were to test Krebiozen were exceedingly harsh.

Because of all of this, I addressed a letter to Dr. Kenneth Endicott, the Director of the National Cancer Institute, on October 28, 1963, in which I asked for a good deal of information. I ask unanimous consent that a copy of that letter may appear at the end of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. DOUGLAS. Mr. President, I said in that letter that I wanted to get the information I asked for as soon as possible, and that it was not necessary to assemble all of the information before any of it was sent along. And I further said that a good deal of it should certainly be readily at hand.

Mr. President, today is December 19, 1963. I still have not received a reply. Fifty-two days have passed and I have no answer. This is 7 weeks and 3 days, or almost 2 months, without a reply to a letter which I wrote on October 28, and I said in the first paragraph that I wanted the information as soon as possible, and that it was not necessary to assemble all of the information before any of it or parts of it were sent.

Mr. President, this is typical of the way in which the NCI and the Food and Drug Administration have treated those who have shown an interest in Krebiozen and who have been seeking the truth about it. There have been stalls, delays, and pettifogging by the Government agencies involved, time and time and time again. I hope very much that one of these days some serious and unbiased and genuinely scientific attention will be given by the agencies of the Government who themselves should be independent of the influences from the AMA or organized medicine with respect to this matter. In the meantime I ask once again for a reply to my letter of October 28.

EXHIBIT 1

OCTOBER 28, 1963.

Assistant Surgeon General KENNETH M. ENDICOTT,

Director, National Cancer Institute, National Institutes of Health, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. ENDICOTT: I want to ask some detailed questions about the recent report of the committee which reviewed the records of the 504 patients treated with Krebiozen. I want to get the information as soon as possible, and it is not necessary for you to assemble all the information before any of it is sent along. In the case of much of it, I would think that you would have the facts readily at hand.

The questions I have are as follows:

Of the 288 cases which your group qualified as fulfilling the necessary conditions for evaluation, how many showed a decrease in pain and/or the withdrawal of narcotics?

In how many was the growth of the tumor arrested?

In how many was there regression of the tumor less than 50 percent; i.e., from 25 to 50 percent, etc.?

The next area of general questions I would like to have answered is this:

How many drugs or alleged anticancer substances or agents is the National Cancer Institute testing this year?

How many of these are being tested on humans this year?

In how many of these agents did you determine that there was more than a 50 percent decrease in tumors in a large number of cases prior to agreeing to test?

How much is to be spent this year on these drugs, agents, tests, and scientific evaluations?

In addition, would you provide me with exactly the same information for prior years—that is, how many drugs have you tested, how many have been tested on humans, what has been the cost, and how many met the prior criteria of a 50 percent regression?

Would you provide, in addition to the numbers, the specific names of the substances in each of these cases?

The third general area of questions I have concerns the members of the committee.

Would you provide for me the amount of funds that either the NCI or the NIH have provided to the various institutions represented by members of the committee since the NCI has been making grants of funds?

In addition, would you provide for me the amount of NIH or NCI funds which have gone directly to each member of the committee?

In addition, may I ask on what basis you selected Dr. Albert Segaloff in view of the fact that he was so prominently connected with the highly controversial status report of the AMA?

May I ask the same question about Dr. George Escher of the Sloan-Kettering Institute, which, as you know, has made prior pronouncements about the effectiveness of this drug?

In addition, would you provide for me tables, like table A of your release, on all of the 288 cases?

Furthermore, of the 216 which fell in the inadequate test situation, would you also provide to me information comparable to table A.

I note that you base your final opinion at least twice in part on the findings of the Food and Drug Administration that Krebiozen is creatine. In view of the previous NCI finding of 21 percent carbon, which is wholly incompatible with creatine, do you concur in this finding? Do you believe that there are other substances or "impurities" in the Krebiozen submitted in such quantities that the susbtance could not be as conclusively identified as done by the FDA when it said it was creatine?

Is it not true that with respect to biological effects and in the case of anti-bodies, amounts in the quantity of one part in thousands, or millions, or billions can and do have significant biological effects, and also that these are more often than not undetectable by spectrographic, chemical, and the other forms of analysis used by the Food and Drug Administration in their analysis of Krebiozen?

I would like very much to have very definite answers to this last set of questions.

With best wishes.

Faithfully yours,

PAUL H. DOUGLAS.

BEST WISHES TO THEO W. SNEED

Mr. BOGGS. Mr. President, ever since I have served on the Public Works Committee I have been aware of the breadth of knowledge possessed by Theo W. Sneed about public works legislation.

Now that he is retiring after 17 years of service with the committee, I would like to express my thanks to him for his frequent help as well as my best wishes for a happy retirement.

It is difficult to think of him as "Mr. Sneed." Like most of those associated with the Public Works Committee, I still refer to him by his well-earned military title of "colonel."

The Public Works Committee will not be quite the same without Colonel Sneed to go to for information, but time brings changes and his retirement is well earned.

My staff and I wish him the very best of health and happiness.

WEST VIRGINIA AND MELPAR ARE PARTNERS IN PROGRESS—PLANT AT FAIRMONT CONTRIBUTES TO COMMUNITY STRENGTH

Mr. RANDOLPH. Mr. President, the constructed contributions of private industry to national defense and the space effort are a matter of public knowledge. However, too often we tend to overlook the other values of these industries, even though they touch intimately our everyday lives.

An outstanding example of the harmony and mutual respect which can evolve between community and company is evident in West Virginia, where Melpar, Inc., has won the confidence and admiration of our citizens. A leading space and defense manufacturer, Melpar established a subsidiary in Fairmont, W. Va., over a year ago which was known as the Melpar-Fairmont Corp. Recently the name has been changed to Mel-

par-West Virginia Corp., which employs over 50 persons, with prospects for a larger work force.

Through this installation Melpar has voluntarily responded to the President's appeal for defense industries to alleviate unemployment in areas of substantial labor surplus. Contributions extend beyond the supplying of components and systems for our land's defense and space efforts; they train and educate personnel, give to local charitable organizations, aid local scientific and planning groups, and bring to the community an annual payroll which builds economic stability. Where possible, supplies, equipment, and services are contracted locally, thus providing added commercial impetus.

The Melpar payroll in Fairmont this year amounts to approximately a quarter of a million dollars. This is a financial influx for that area which was not present 2 years ago.

And, Melpar-West Virginia is presently opening a new plant in Beckley.

The Fairmont plant will continue to operate mainly in the metalworking field and the Beckley installation will, it is planned, be staffed for electronic assembly work. The continued growth and advancing spending power of these facilities will bring additional benefit to the communities in which they are located.

It is gratifying to know of the interest and energy of Melpar, Inc., as evidenced by its expansion in West Virginia. Citizens of the Mountain State are grateful to this industrial concern for the infusion of progress and purpose it has brought to our important communities of Beckley and Fairmont.

TAX RELIEF FOR COSTS OF COLLEGE EXPENSES

Mr. RIBICOFF. Mr. President, in recent weeks increased attention has been given to the question of providing tax relief for those who pay the costs of college expenses. Last month 14 Senators joined with me in sponsoring an amendment to the pending tax bill to accomplish this objective. Since then expressions of support have come from many people, and there has been opposition as well.

The Finance Committee will soon take up the matter, and early next year the entire Senate will have an opportunity to express its view on this question.

The discussion that has been started by the public and the press has been extremely useful, and I hope it will continue so that this issue will be fully understood by the time a vote is taken.

I ask unanimous consent to insert in the RECORD an editorial from the Washington Post of December 16, raising some objections to my amendment and my reply which was printed in the Post today.

There being no objection the editorial and reply were ordered to be printed in the RECORD as follows:

[From the Washington Post, Dec. 16, 1963]

TAX CREDITS FOR EDUCATION?

The proposal to grant tax credits in order to lighten the burden of parents who are sending their children through college has an instant but superficial appeal. It is frequently defended by invoking an analogy: if the Federal Government can subsidize home ownership by making the interest on mortgages tax deductible, why shouldn't the same principle be applied to expenditures for higher education? The answer is that the analogy is not very close, and even if it were, there are other considerations which make such tax credits thoroughly undesirable.

Senator ABRAHAM A. RIBICOFF and a number of his colleagues are sponsoring an amendment to the administration's tax bill which would provide for educational tax credits on a graduated basis. Taxpayers with income of less than $25,000 would receive a credit of $325 on the first $1,500 of tuition paid, a person with a $35,000 income would get a credit of only $225—and so on up the income scale where a taxpayer in the $60,000 bracket would get no credit at all. The cost of this proposal in terms of revenue losses would run to more than $700 million in the first year, and with added deductions for gifts to institutions of higher learning it would soon cost the Treasury more than a billion dollars annually.

Some of the objections to the Ribicoff proposal are immediately apparent; others are not. First, it discriminates against those families who cannot in any case help their children through college. And unlike direct Federal grants, tax credits would provide no assistance to talented young people of limited means who must work their way through college. Worse still, the granting of tax credits would encourage private and public institutions to raise tuition and other fees.

The prospect that the granting of tax credits will touch off another round of tuition increases, thus making it even more difficult for persons of limited means to obtain a higher education, was anticipated by Dr. Roger A. Freeman in his testimony before the Senate Finance Committee. According to Dr. Freeman:

"If you grant a tax credit * * * you give the institutions an opportunity to increase their tuitions without putting a corresponding burden upon the families and the students. The main purpose * * * is to increase the funds of the institutions."

The great State universities of this country, which are the beneficiaries of Federal land grants, have been guided by the principle that opportunities in higher education would be available to all talented young people, irrespective of financial resources. An adherence to that philosophy over the past century contributed rapid economic growth and greater social mobility. Granting tax credits in place of Federal grants will provide some relief for middle- and upper-income families. But by encouraging tuition increases which would tend to close the college doors to the children of the poor, the discriminatory tax credit plan would only set the clock back.

TAX CREDIT FOR EDUCATION?

The Washington Post's opposition to my amendment giving tax credits for college costs deserves further discussion. Let me deal with your three objections in order.

"First," you write, "it discriminates against those families who cannot in any case help their children through college." If this is a criticism, it applies with equal force to every deduction and credit now allowed by the Internal Revenue Code, for it simply means that those who pay no expenses and have nothing to deduct, get no deduction. Surely, that is not "discrimination."

The man too poor to pay his hospital bill gets no benefit from the medical deduction available to his neighbor who does pay his bill. That proves we need to help those who cannot pay their hospital bills; it does not prove that we should deny tax relief to those who pay these costs.

"Unlike direct Federal grants," you continue, "tax credits would provide no assistance to talented young people of limited means who must work their way through college." Not true. My amendment provides a credit for any person who pays for a student's tuition, including the student himself. A student working full time in summers and part time during the school year will pay, even under the new lower rates, $225 in taxes on $2,400 income. If his tuition and books are $500 or more, my credit proposal would wipe out that tax.

"Worse still," you conclude, "the granting of tax credits would encourage private and public institutions to raise tuition and other fees." First, colleges have been raising their tuitions anyway. A recent study showed that in just 4 years a group of private colleges raised student costs 29 percent and the increase for a group of public colleges was 21 percent.

Furthermore, you assume that colleges set their costs by what the traffic will bear. I do not. I believe their student charges reflect the increased costs they face, not the increased ability of parents to pay. But if you are right, then tuition costs are going up anyway, because every college will know that the basic rate reductions in the pending bill give parents funds, which can be absorbed through increased tuitions.

I think it unlikely that colleges would raise tuitions to cover the entire tax relief given to parents by the pending bill, with or without my amendment. Conceivably, there would be possibility of a slight increase due to tax relief, if the tuition increase were fully or even substantially deductible.

But under my amendment, the major share of the credit is based on the first $500 of tuition and books. The credit is 10 percent on the next $1,000. So every $100 increase in tuition above $500 gives the taxpayer only a $10 credit. There is no more reason to oppose this 10-percent credit because of tuition increase than there was to oppose last year's 7-percent investment credit on the ground that equipment manufacturers would raise their prices.

In sum, I believe those who pay the high costs of a college education are as entitled to some tax relief as those who receive a deduction for medical expenses or casualty losses. There is no doubt that we also need aid to the colleges, as provided in the bill signed by the President this week. And we also need scholarship aid. But it is time to extend some relief to the middle income person who pays in a short span of years a high cost that benefits the entire Nation.

The middle-income families are generally not eligible for financial aid. They are the ones my amendment benefits: 51 percent of the dollar benefit goes to families with incomes between $5,000 and $10,000, and 91 percent goes to families with incomes below $20,000.

ABRAHAM RIBICOFF,
Senator From Connecticut.

EUGENIE ANDERSON

Mr. HUMPHREY. Mr. President, a most brilliant and charming lady is in town this week. I speak of Mrs. Eugenie Anderson, native of Red Wing, Minn., and presently U.S. Minister to Bulgaria.

All Americans should be proud of the remarkable job this gifted diplomat is doing for the United States in Communist Bulgaria. She continues to win the hearts of the people there and, because she is our representative, their hearts go out to all of us.

When Mrs. Anderson was our ambassador to Denmark her popularity among the friendly Danes was immense. Now she is in a less friendly country. Yet her popularity among its people is a matter of record.

But more than popular, she is respected. She is respected for her brilliance, for her patience, her understanding, her willingness to learn, her vitality. She is demonstrating that intelligence, political experience, and understanding are the most potent weapons in the battle being waged by free governments against dictatorship.

Mrs. Anderson has come a long way since leaving Red Wing. She is a credit to that community, to her State, and to this great country. She could well serve with success and achievement in higher posts and thereby serve our country with even greater results. We are very proud of her.

Today, just as she did in Denmark, Mrs. Anderson speaks with the people of Bulgaria in their native tongue. She speaks of America and Americans. And as she does the people of Bulgaria listen. I am sure, Mr. President, that the people of this eastern European country know us a little better because of what Mrs. Anderson is doing.

I ask unanimous consent to have inserted at this point in the RECORD an article about Mrs. Anderson which appeared in the December 18 issue of the Washington Star.

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

[From the Washington Evening Star, Dec. 18, 1963]

DIPLOMATICALLY SPEAKING—ENVOY SAYS BULGARIANS GRIEVED FOR KENNEDY

(By Pat Saltonstall)

"Anything which makes people aware of their common humanity draws people together."

Deep inside Communist Bulgaria, the reaction to President Kennedy's death was the same: an electrifying shock, a wrenching ache.

The above quote from U.S. Minister to Bulgaria Eugenie Anderson summed up the homage paid by thousands of grieving Bulgarians who took up a vigil outside the American legation in Sofia.

"When you're representing your Government abroad and your President is assassinated, it's as though a member of your family had been killed," explained Mrs. Anderson in an interview yesterday at the State Department. She arrived Sunday for a week's consultations with Government officials.

No one, she went on, had expected the depth and breadth of the Bulgarian reaction. "We didn't know that they knew him well enough."

THEY OFFER TRIBUTE

She had expected government officialdom, but "to my surprise—and comfort—hundreds of ordinary citizens came." They, too, wrote their names and sometimes a tribute in the legation guest book.

What did they write, what did they say? "A man of peace," they declared; tomorrow's hope, a man of energy. "We loved him," they said.

All ages pressed at the legation doors, from babies to the old. But it was the 18- to 30-year-old group which made up half the mourners. When they spoke of his work for peace, they implied that it had made their own lives more secure, their futures more promising.

From the capital city of Sofia they came and from the country. A man wrote a musical composition. There were flowers, and original poems.

When they didn't come inside, they stood outside the legation window curtained in black, with the solitary photograph of President Kennedy. They were there 2 days.

On the fifth day their numbers swelled, a new note mixed with the mourning—of interest.

NEWS OF THE TRAGEDY

The curtains were drawn back on three more windows. Glossy photographs of the late President with his family, just flown in from Washington, were displayed. In a second window, printed in large lettering were eulogies from around the world. Pasted right across the glass were news pictures, clipped from the papers bringing the first accounts of the funeral pageantry. Large glossies of the funeral later were added.

A third window told a new story: photographs of the new President and his family.

The legation prepared a memorial service at Sofia's only Roman Catholic Church. The simple service, with two American flags in evidence inside, would have been impossible without the Bulgarian Government's cooperation, Mrs. Anderson said.

The church overflowed with mourners. The weeping came to the American Minister for solace. She gave it, she recalled, remembering as well her own checked anguish.

Asked by President Johnson to express his appreciation to the Bulgarian Government and people for their sympathy, Mrs. Anderson did the exceptional.

THANKS PEOPLE IN BULGARIAN

She took to the state-owned and controlled television and radio waves, and addressed them in Bulgarian.

It was the second time in 6 months that she had done so. She spoke on American independence in a July 4 telecast, which moved some of her audience to tears, it was reported. She was the first Western Minister ever to speak on Bulgarian television, the first diplomat from any nation to address Bulgarians on TV in their own difficult tongue.

Mrs. Anderson believes she is the only chief of mission to an Eastern European country to go on their state-controlled airwaves. She has studied Bulgarian an hour daily for 14 months, and a year ago this month during a visit here, heard the late President applaud this enterprise.

Mrs. Anderson called the "compounded tragedy of Oswald * * * deeply disturbing" to Bulgarians. No trial, no demonstration of American justice, Oswald never told his story. "You can imagine the propaganda advantages that are being exploited to the fullest extent."

But Bulgarians are getting a distorted picture, she said. They've heard nothing of Oswald's Marxist-Castro background. Most of them believe it was a rightwing plot, and not the sole act of a sick mind.

Chief Justice Warren's presence on the investigating commission was reassuring to them, however. And they are impressed with the swift and "masterful way" in which President Johnson has taken over and continued the Kennedy policies.

After talks here with Secretary of State Rusk, Under Secretary Harriman and others, Mrs. Anderson will spend Christmas with her daughter and her family, and her son, both in Vermont.

FEDERAL BAR JOURNAL ARTICLE SUPPORTS TRUTH IN LENDING

Mr. DOUGLAS. Mr. President, the most recent issue of the Federal Bar Journal—volume 23, No. 2, spring 1963—contains an excellent article discussing some of the legal and constitutional objections which have been raised against S. 750, the truth-in-lending bill.

The authors of this brief study of this legislation have, in my opinion, ably discussed those issues concerning the truth-in-lending bill which would be of primary interest to the legal profession. Moreover the article has, I believe, effectively refuted and laid to rest some of the legal sophistries raised against S. 750.

I might add that both of the able authors, Mr. Scott Hodes and Mr. Richard N. Flint, have pursued their legal studies at Northwestern University and are members of the bar of the State of Illinois. They have done an excellent job of presenting a brief summary of some of the questions concerning a Federal bill to require the full disclosure of the costs of consumer credit that have been argued before the Banking and Currency Committee during the hearings on this legislation. Their article will, I am sure, be of great assistance in assuring members of the legal profession who serve as Members of Congress that our truth-in-lending bill rests on a solid legal and constitutional base.

Mr. President, I ask unanimous consent that the article be printed immediately following my remarks.

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

NOTES AND DEVELOPMENTS—FULL DISCLOSURE OF CREDIT CHARGES

(By Scott Hodes and Richard N. Flint)

How many Americans are aware that the small service charge of 1½ percent per month on department store charge accounts is often a true annual interest rate of 18 percent, or that the so-called 6-percent rate offered by some dealers for financing used cars is at least 12 percent and sometimes much higher when computed on the average outstanding balance? Studies reveal that the average consumer is aware only of the monthly cost to finance a new car or television set, for example, and seldom calculates the total annual interest rate on his repayment schedule. Paradoxically, he is extremely interested in annual interest rates prescribed for funds deposited in savings accounts.

Moreover, lending and borrowing is big business in the United States today. Studies by the Senate Banking and Currency Committee reveal that personal debt in the United States now totals over $230 billion, and the yearly interest and finance charges paid on this sum is $15 billion,[1] or 50 percent more than the carrying charges paid by the Federal Government on the national debt. Clearly, Americans have come to accept credit as a way of life, without concerning themselves with the staggering cost of such credit. This apathy may be traced in part to methods successfully used by many creditors to conceal the actual credit charges and interest rates. An experienced credit union manager described the dilemma of the average borrower today as follows:

"He is caught in a wonderland of credit where percentages multiply and divide at will, where finance charges materialize on command and fees are collected on the way out; where sharp practices and rackets not only inflate the costs of credit, but also impose enormous financial hardships on the debtor, particularly those who can least afford it."[2]

Senator PAUL H. DOUGLAS, of Illinois, contends that the simple annual interest rate on the outstanding unpaid and declining balance of the debtor's obligation is the only meaningful standard of comparison available to evaluate credit costs. He has introduced

[1] CONGRESSIONAL RECORD, p. 2028 (1963).
[2] Id.

a truth in lending bill [3] to provide machinery to aid the consumer in making intelligent comparisons with respect to alternative methods of financing. In the President's message to Congress, relating to his consumers' protection and interest program, President Kennedy urged the enactment of this bill. He emphasized that:

"Excessive and untimely use of credit arising out of ignorance of its true cost is harmful both to the stability of the economy and to the welfare of the public. Legislation should therefore be enacted requiring lenders and vendors to disclose to borrowers in advance the actual amounts and rates which they will be paying for credit." [4]

SUBSTANCE OF THE BILL

The truth-in-lending bill is intended to require full disclosure of finance charges in connection with extensions of credit; it does not regulate interest rates or other conditions of credit. Section 4, the operative section of the bill, provides that "prior to the consummation of the transaction," the creditor must furnish to the prospective borrower a clear statement in writing setting forth certain information, including the following:

"(1) The total 'finance charge' expressed in dollars and cents; and

"(2) The percentage that the 'finance charge' bears to the 'total amount to be financed,' expressed as a simple annual rate on the average outstanding unpaid balance of the obligation."

This written statement must also specify the cash price of the property or services being purchased, individual charges which are to be paid by the borrower but which are "not incident to the extension of credit," and the sum of the foregoing which, less the down payment, is the "total amount to be financed." Detailed rules and regulations for the disclosure of such information and for implementing the other provisions of the act are to be prescribed by the Board of Governors of the Federal Reserve System.

Complications arise in the so-called "revolving credit" arrangements operated by numerous retail establishments. Under these arrangements, a credit account is opened for the customer, various items may be charged to this account during the month, and a monthly credit charge is levied based upon the balance in the account. The written statement discussed in the foregoing paragraphs is clearly inapplicable to these "revolving credit" accounts because the total amount of credit to be financed, and therefore the total credit charge, is unknown at the time the account is opened. Accordingly, section 4(b) of the bill provides that before opening a revolving or open-end credit account, the creditor must furnish the borrower a statement clearly setting forth the simple annual percentage rate or rates at which the finance charge will be imposed. At the end of each monthly period (which need not be a calendar month), the creditor must furnish the borrower a statement containing certain information, including the dollar and cents finance charge for that month, and the monthly finance charge expressed in terms of a simple annual percentage rate.

The primary means of enforcing compliance is through civil suits in State and Federal courts of competent jurisdiction. Section 7(a) of the bill provides that any creditor who, in connection with any credit transaction, fails to disclose to any person any information in violation of the act or regulations thereunder shall be liable to such person in the amount of $100 or an amount equal to twice the finance charge levied in connection with the transaction, whichever is greater, but the maximum liability shall not exceed $2,000 per transaction. The creditor is also liable for reasonable attorneys' fees and court costs, but in the bill as presently drafted, it is not entirely clear whether these fees and costs are also included within the $2,000 maximum. In contrast to these civil penalties which do not require that the violation be willful, section 7(c) provides a fine of not more than $5,000 or imprisonment for not more than 1 year, or both, in case of willful violations.

THE CONSTITUTIONAL ISSUE

The constitutionality of S. 750 and its predecessor legislation has been discussed by a number of interested parties. The American Bar Association in an able opinion [5] concludes that while the issue is not entirely free from doubt, "the arguments against the constitutionality of this legislation * * * appear to us to have more weight." The Department of Justice, in an advisory opinion signed by Deputy Attorney General Katzenbach, concludes that the bill is constitutional.[6] In these opinions, three possible constitutional grounds are discussed: the commerce power, the money power, and the broad Federal power over finance.

In the truth-in-lending bill as presently before the Congress, there is no attempt to limit its application to those credit transactions which are directly involved in interstate commerce, and section 3(2) contains an extremely broad definition of "credit." On occasion the Supreme Court has ruled that any transaction, however local, which affects interstate commerce is subject to Federal regulation under the commerce power.[7] However, as the ABA opinion suggests, there are numerous cases limiting the "lengths to which courts will go in finding that a transaction has aspects of interstate commerce." And on reflection it is difficult to conceive of every credit transaction, no matter how local in character, as having sufficient effect on interstate commerce to bring it within the scope of Federal power.

The second possible constitutional basis for S. 750 is the "money power," the narrow power "to coin money" and "to regulate the value thereof." Testimony before the Douglas subcommittee indicates that the value of money is influenced by the use of credit because the excessive use of credit, as much as the overabundance of paper currency, tends to cause inflation and therefore lower the purchasing power of the dollar. Supporters of the truth-in-lending bill believe that in periods of inflation, when interest rates are rising, the higher cost of credit—if disclosed—will deter its use, whereas in periods of decline, when interest rates are depressed, the lower interest charges will encourage consumer spending and therefore stimulate the economy. While not necessarily in disagreement with the foregoing conclusion, the ABA opinion contends that the "money power" has been limited to regulating the metallic content of currency, and not its purchasing power.

The broad Federal power over finance, a power much broader than the simple "money power," is the third suggested constitutional basis for S. 750. The Justice Department opinion, quoting from an opinion of the U.S. Supreme Court, defines this power as follows:

"The broad and comprehensive national authority over the subjects of revenue, finance, and currency is derived from the aggregate of the powers granted to the Congress, embracing the powers to lay and collect taxes, to borrow money, to regulate commerce with foreign nations and among the several States, to coin money, regulate the value thereof, and of foreign coin, and fix the standards of weights and measures, and the added express power 'to make all laws which shall be necessary and proper for carrying into execution' the other enumerated powers." [8]

This is the same aggregate of powers which permitted Congress to establish a national bank, a national monetary system, and the Federal Reserve System to meet previous deficiencies in the economy. These same powers should be equally available to control and mitigate harmful economic fluctuations which result in part from the uninformed use of credit.

As stated in section 2 of the bill, S. 750 is a legislative effort to curb the cyclical fluctuations in the national economy by requiring the complete disclosure of credit charges. Whether or not this legislation will solve the problem is a question of policy which the Congress alone is competent to resolve. Constitutionally, however, the power would appear to be present.

THE PROPER SCOPE OF STATE AND FEDERAL REGULATION

From a policy standpoint, it has been argued that the subject matter of the Douglas bill is not an appropriate area for legislation by the Federal Government, and that the entire field should be left to the States. An ironic note was added to this argument in 1961 when a truth in lending bill was introduced before the Massachusetts Legislature. At that time the chief objection voiced by opponents of the bill in Massachusetts was that this is something that should not be handled at the State level but at the Federal level.[9]

State common law relating to fraud has proven inadequate to protect the borrower due to the numerous technical legal elements which must be proven to establish an allegation of fraud. This is particularly difficult where the lender makes no actual misstatement, but merely remains silent regarding particular aspects of the transaction.

Traditionally, of course, the States have regulated credit by means of usury laws which prohibit interest charges beyond a certain rate, usually about 6 percent. For the most part, these State usury laws have been ineffective in dealing with small loans and installment credit, the main reason being that the maximum legal interest rate under the traditional usury law was insufficient to allow the creditor a reasonable return because of the relatively high administrative costs and greater risks involved in small loans and installment credit. Thus, creditors who sought to comply with the law were not able to earn a reasonable profit and were displaced by disreputable lenders operating outside the law. Secondly, the so-called time-sale doctrine was used to exempt sales of goods on credit from the usury laws. According to this doctrine when the merchant charges a greater amount for a sale on time than he would for a cash sale, the difference in price if properly handled is considered a part of the time purchase price, and not an interest payment subject to the usury laws.

As a consequence of the failure of existing usury laws, there has been a great variety of legislation promulgated by State legislatures to control various aspects of the small

[3] S. 750, 88th Cong., 1st sess. (1963).

[4] Mar. 15, 1962.

[5] "Hearings on S. 1740 before the Subcommittee on Production and Stabilization of the Senate Committee on Banking and Currency," 87th Cong., 1st sess. (1961), pp. 822–826. Comparable legislation has been introduced by Senator PAUL DOUGLAS, of Illinois, in previous congressional sessions, and lengthy committee hearings were held in 1961 and 1962.

[6] "Hearings on S. 1740 Before the Subcommittee on Production and Stabilization of the Senate Committee on Banking and Currency, 87th Cong., 2d sess. (1962), pp. 112–115.

[7] *Wickard* v. *Filburn*, 317 U.S. 111 (1942).

[8] Note 6, supra, p. 114.

[9] Note 6, supra, p. 204.

loan and installment sales industry.[10] This legislation varies considerably from State to State, and even within a given State, different branches of the consumer credit industry are typically regulated by different, and often inconsistent, statutes. For example, the following legislation has been passed in one or more States to regulate various segments of the industry: small loan acts; retail installment sales acts, regulating credit offered by dealer to purchaser; installment loan acts, regulating loans made by a third person to finance consumer spending; revolving credit legislation; pawnbroker acts; acts chartering and regulating credit unions; and acts regulating industrial loan companies, also known as Morris Plan banks.

For the most part, disclosure requirements under these existing State laws are inadequate. Some State statutes require that the total financing charge in dollars and cents be disclosed and a few specify that the monthly interest rate be stated. But the requirement that the interest be stated as a simple annual percentage on the unpaid balance is conspicuous by its absence, appearing only in a few State small loan acts. Thus, the consumer is deprived of that one fact which will allow him to compare the credit terms offered by his local bank, for example, with the terms offered by the used car dealer or by the small loan company down the street. The truth in lending bill would make possible such a comparison by even the most unsophisticated borrower, and would therefore fulfill a need which is not presently being met by State law.

Moreover, as has been previously stated, the purpose of the truth in lending bill is not to preempt State regulation of credit transactions. Section 6(a) expressly provides that the bill does not excuse any creditor from complying with the provisions of State law unless the disclosure requirements of such State law are directly inconsistent with Federal law. Section 6(b) provides that the Federal Reserve Board shall exempt from the bill's application any credit transaction or class of transactions which is effectively regulated by State law so as to require the disclosure of the same information.

It should also be emphasized that S. 750's requirement of full disclosure in certain transactions is not an innovation to Federal law; disclosure requirements have been the central theme of numerous Federal statutes. To cite a few examples: the Securities Act of 1933, as amended, requires full disclosure of the material facts concerning an issuer of securities to the prospective purchaser; [11] the Federal Food, Drug and Cosmetic Act of 1938, as amended, requires full disclosure of the manufacturer and contents of certain packaged products; [12] and the Automobile Information Disclosure Act of 1958 requires full disclosure to the purchaser of the suggested retail price and other relevant information in conjunction with new car sales.[13]

FLOODING THE COURTS

Critics of S. 750 argue that section 7(a) of the bill, which provides for civil actions in State and Federal courts of competent jurisdiction, will result in numerous lawsuits and, in effect, flood the courts with petty cases. Thus, while Congress in 1958 sought to alleviate the backlog of cases in Federal courts by raising the minimum amount in controversy in certain cases from $3,000 to $10,000, the truth in lending bill would produce the opposite result by allowing suits to be brought for amounts from $100 to $2,000. However, this argument ignores the real issue: if there are not sufficient courts to dispense justice, the remedy is to increase the number of courts, and not to lessen the quality of justice. It should also be emphasized that there are numerous other Federal statutes, including the Securities Act for example, which provide for Federal jurisdiction where the amount in controversy is less than $10,000.

Moreover, the purpose of the civil and criminal penalty provisions is to deter prospective violations. As one witness before the committee stated: "We want the minimum of litigation arising out of this. We want the maximum of voluntary compliance with the bill." [14] Indeed, to argue that the civil litigation arising from penalties provided in S. 750 will flood the courts is to argue that credit institutions will not voluntarily comply with the provisions of Federal law.

CONCLUSION

The bill in its present form may not be perfect. For example, the American Bar Association has pointed out that the definition of "credit" in section 3(2) of the bill is extremely broad, and some tightening up in the drafting may be necessary here and elsewhere. But despite these minor defects in the bill as presently drafted, the bill is basically a noble one. It would appear that there is a need for fuller disclosure of finance rates and charges in the United States today—a need that is not being fulfilled by traditional State legislation. Senator DOUGLAS and his cosponsors have brought this problem to the public forum and have suggested a legislative solution within the framework of existing Federal disclosure legislation.

[10] In an article of this length, it is not possible to discuss in detail the laws of the various States, or even the laws of a particular State relating to small loans and consumer credit. For more detailed coverage, the reader is directed to the following additional source and the sources cited therein: "Consumer Credit Symposium: Developments in the Law," 55 NW. U. L. Rev. 303 (1960), particularly parts I, II, III, and VII.

[11] 48 Stat. 78 (1933), 15 U.S.C. 77g (1958).

[12] 52 Stat. 1042 (1938), 21 U.S.C. 331(b) (1958).

[13] 72 Stat. 326 (1958), 15 U.S.C. 1232 (1958).

[14] Note 5, supra, p. 870.

WAURIKA RESERVOIR

Mr. EDMONDSON. Mr. President, I am sure that my colleague, Senator MONRONEY, joins me in my gratitude to the chairman of the Public Works Committee, PAT MCNAMARA, and the members of that committee. They have made history by the manner in which they have handled the rivers and harbors bill upon which we have just finished action.

This bill was important to Oklahoma for two reasons. First, because it provided the authorization to carry on the great Arkansas River comprehension plan—now almost 50 percent completed. The bill carries an extension of authorization for 2 years and authority to appropriate $157 million. Secondly, it contains authorization for the $25 million, multipurpose Waurika project. This project will provide flood control, water for industrial and municipal use, recreation, water quality control, irrigation, and fish and wildlife.

This is a truly partnership undertaking. The local people who would use the water will repay almost 50 percent of the project with interest.

I am happy that Oklahoma has the services of three great Federal departments in the development of our resources: the Corps of Engineers, the Soil Conservation Service, and the Bureau of Reclamation.

All three departments now have authority under laws enacted by Congress to make maximum use of water impounded in reservoirs built by them.

Under the Reclamation Act of 1908, the Flood Control Acts of 1944 and 1958 and under Public Law 566 and amendments to these acts each can and does develop municipal water supplies, recreation, irrigation, fish and wildlife, and water quality control as well as flood control.

For example, the corps has 15 projects in Oklahoma, constructed or under construction with contracts with local communities for municipal water supply. The Bureau of Reclamation has 5 and the Soil Conservation Service 10.

Every reservoir in Oklahoma provides flood control regardless of which agency builds them.

All three departments have projects embracing fish and wildlife and recreation. A number supply water for irrigation.

So we rejoice today, that again the Federal Government has come to aid us in solving our water problems. These projects are investments that assure growth and economic development, and make possible more business for Oklahoma and for the other States with which we engage in commerce.

THE NATIONAL REPERTORY THEATER

Mr. ERVIN. Mr. President, last Thursday I was delighted to join with my colleagues in welcoming to the Senate members of the cast, the producers, and the director of the National Repertory Theater, who were in Washington for an engagement at the National Theater. The National Repertory Theater is a permanent touring company of the highest caliber which performs a repertory of great plays which have demonstrated qualities of universality and timelessness. It is a nonprofit organization, sponsored by the congressionally chartered American National Theater and Academy.

I commend Senator PELL, chairman of the Special Senate Subcommittee on the Arts, for making it possible for the Members of the Senate to meet and talk with the members of the theater company. It was an interesting and pleasant occasion.

Especially, I am proud of the North Carolina connections of this fine repertory company. The National Repertory Theater, which is touring three classic plays to 20 cities throughout the country, opened its 1963–64 season in Greensboro, N.C., where, in addition to presenting their plays, the members of the company served as artists in residence at the University of North Carolina at Greensboro.

The unique "teaching-performing" visit was arranged by Dean Katherine Taylor of the university and Herman Middleton, head of the drama department. Three outstanding plays, Anton Chekhov's "The Seagull," Jean Anouilh's "Ring Round the Moon," and Arthur Miller's "The Crucible" had their national premiere at the university's Aycock Auditorium. The distinguished

actors and actresses appearing in the plays included the first lady of repertory, Eva Le Gallienne, and Farley Granger, Anne Meacham, and Denholm Elliott. During their Greensboro visit, the University of North Carolina at Greensboro students received unique firsthand knowledge of the theater through lectures in their drama classes given by the actors and producers, and an opportunity to attend rehearsals of the plays. It was a mutually inspiring experience.

A number of the persons associated with the National Repertory Theater have a North Carolina background. Mrs. Frances Ann Cannon Dougherty, producer and founder of the National Repertory Theater with Michael Dewell, was born and reared in Charlotte.

Miss Susan Carr, a most appealing ingenue, is a daughter of Claiborne Carr, native of North Carolina, and the granddaughter of another distinguished North Carolinian, the late Julian Carr of Durham.

The wife of Denholm Elliott, who is one of the male leads in all three of the repertory plays, is the former Miss Susan Robinson, a native of Southport, N.C. She is the daughter of Susan Darby Robinson and Ted Robinson, Jr., who is literary editor of Newsweek.

Miss Barbara Stanton, who plays leading roles in all three plays in the repertory, lived as a child in Charlotte for a number of years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD several articles and editorials from North Carolina newspapers concerning the visit of the National Repertory Theater to Greensboro, and its association with the University of North Carolina at Greensboro.

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

[From the Greensboro Daily News, Sept. 10, 1963]

DISTINGUISHED VISITORS

The University of North Carolina and Greensboro are signally honored by the decision of the National Repertory Theater to prepare for its second coast-to-coast tour by a period of "in residence" here next month and the premiere of its three classic plays at Aycock Auditorium.

Eva Le Gallienne, Farley Granger, Denholm Elliott, Anne Meacham, and other theater notables—in all a company of 50—will be here for 12 days to rehearse, lecture, and share their theater lore with the theater of the University of North Carolina. Before departure they will present five campus performances of Jean Anouilh's "Ring Round the Moon," Anton Chekhov's "The Seagull," and Arthur Miller's "The Crucible."

The "in residence" project will give North Carolina theatergoers access to these great plays, representing France, the United States, and Russia. It will also contribute uniquely through special lectures and seminars to the academic life of the students.

Credited for this visit of the organization sponsored, on a nonprofit basis, by the National Theater and Academy are Herman Middleton, head of the drama department at UNC–G and Katherine Taylor, dean of women. Since last winter they have written and talked with National Repertory Theater representatives. It was their idea to bring the theater to the campus so that students could learn about it at firsthand and see distinguished professional artists at work. The theater's national tour, premiering here, will visit 20 major cities in the United States, all of them outside the South except Greensboro.

This project, of course, emphasizes the growing reputation of the Greensboro campus of the University of North Carolina as a nationally known center for the dramatic arts. It underlines, as well, the potential of the UNC–G campus as a logical location for the State-operated school for the performing arts, now in embryo stages.

Greensboro, along with the University of North Carolina, welcomes these distinguished visitors from the American theater.

[From the Greensboro Record, Sept. 11, 1963]

DRAMATIC NEWS

In less than a month, the curtain will go up in Aycock Auditorium on the first performance of the National Repertory Theater's season. The collaboration of the University of North Carolina at Greensboro and the theater will have already begun. Students will watch and listen to the professionals in rehearsal as they give their repertoire a final polish before opening a national 36-week tour in Greensboro, the only southern city on the schedule.

All of this makes exciting news indeed for those interested in the arts. It is the finest possible sendoff for the cultural season in Greensboro, a season that is expanding and taking on new facets every year. The opportunity to see a repertory theater in action, the same company performing three different and outstanding plays, is one which stimulates the whole field of the arts here.

Gov. Terry Sanford, in a letter of greeting to the theater, had high praise for both theater and university here: "That your people are to be part of the teaching program of the University of North Carolina at Greensboro is a credit to the ingenuity and venturesomeness of that institution, which carries so much of our hopes for the further development of the arts and appreciation of the arts in our State."

As Chancellor Otis Singletary of UNC-G suggested in announcing the collaboration of university and repertory company, the theaters performing-teaching visit to the campus is an example of the breadth and scope of the school's program, and a reminder that the campus is an excellent site for the State's proposed school of the performing arts.

Certainly the performing arts will be brilliantly represented when the National Repertory Theater brings such performers as Eva Le Gallienne, Farley Granger, Denholm Elliott, and Anne Meacham to star in plays by Chekhov, Anouilh, and Miller. The opportunity for keen students to study a fine company in preparation and in performance is an exceptional one, brought about through the persuasive powers of Dean Katherine Taylor and drama department head Herman Middleton. Their enthusiasm for the experiment is shared by the theater's coproducers, Michael Dewell and Frances Ann Cannon Doughtery.

It is particularly valuable for the city, and the entire region, to have performances of classics—old and new. As Miss Le Gallienne has said: "What we want to do is meet the demand of the people to see great plays brought to life." The demand exists. The collaboration of the repertory theater and the university in Greensboro offers this whole region a chance to satisfy it.

[From the Greensboro Daily News, Sept. 11, 1963]

GREENSBORO'S CULTURAL INTERESTS AND RESOURCES

"Greensboro is the smallest town I've heard about with this much interest in the arts," said Stanley Young, executive director of the American National Theater and Academy.

Mr. Young, one of several theatrical celebrities here to unveil an "in residence" project for the National Repertory Theater, emphasized that the American theater is not only in New York; it is all around the country. By his testimony, and that of a cofounder of the NRT, Michael Dewell, it is very much in Greensboro, and especially at the University of North Carolina campus.

These distinguished theater people are establishing important and durable links between the American theater and the American university campus. They will kick off their effort next month at UNC–G, by holding final rehearsals for three classical plays and conducting lectures and laboratory work for UNC students.

What does all of this mean for the university, the city and the State?

It means Greensboro has been singled out for a significant experiment in the arts. But that choice would never have been made without the university's strong support for drama.

Mr. Dewell recalled that while at Yale he and other students interested in acting realized they needed dance and fencing instructions to help their stage movements; they had to hire dance and fencing instructors themselves. At Carolina–G undergraduates drama majors are required to take courses in both fencing and the dance.

This one example illustrates the potential of the local university campus. It is a logical place for the school for performing arts now under study by a special Governor's committee. Greensboro is a strong contender for the school both because of its central location and its cultural resources and interests.

[From the Winston-Salem Sentinel, Sept. 11, 1963]

PUTTING REPERTORY ON THE ROAD

Michael Dewell, one of the producers who will soon be bringing the National Repertory Theater to Greensboro, said in an interview not long ago that a touring company like his doesn't draw much audience "in the 40-year bracket."

It lures the elderly, who remember the good old days when Ethel Barrymore's arrival in town was occasion to run up the flags. And there is a growing audience of young people, who are being introduced to good theater in the burgeoning drama departments of colleges and universities.

But people in their forties grew up in the depression. "They were deprived of the theater," Mr. Dewell said, "and never got the habit."

It's a discomfiting thought. But Mr. Dewell would probably be the first to insist that the theatergoing habit is an easy one to acquire—even for us depression-deprived middle aged. All we need is exposure.

Unfortunately for this purpose, too much of the American professional theater has been concentrated in New York City. Few in the theater are willing any more to hit the road. And, more unfortunately, the companies that do venture into the hinterlands come only with bright, slick comedies or big, brassy musicals hot off the Broadway griddle.

People of any generation in areas like this seldom have a chance to see classic drama performed by the best in the professional field.

That's why the announcement this week that the National Repertory Theater is coming to Greensboro has generated so much excitement. This is a topnotch company, and it will be presenting three classics from Russian, French, and American dramatic literature. Moreover, it will be on the UNC–G campus for its final 2 weeks of rehearsals. This means that university drama students

will have the rare opportunity to observe and work with top professionals in both the acting and technical phases of the theater.

North Carolina in general and the Piedmont area in particular can be justifiably excited at being able to participate in this venture. But underneath is a deeper excitement at what this venture represents—and promises.

Mr. Dewell and his associates—including North Carolina's Frances Ann Cannon Dougherty and the American theater's grand lady, Eva Le Gallienne—believe the salvation, indeed the rebirth, of theater in this country lies in replacing Broadway's "money and musicals" with "road and repertory." They envision many fine companies taking not one but several classic dramas to every city in America with a theater or auditorium—repertory on the road 52 weeks in the year.

Thus would they satisfy the nostalgia of the old, feed the growing drama appetite of the young and fill in for the rest of us a gap in drama pleasures that the depression has left too long open.

[From the Greensboro Record, Oct. 17, 1963]

COME AGAIN

To judge from the audiences it furnished, Greensboro was pleased and proud to be the first town on the 1963–64 tour of the National Repertory Theater.

The University of North Carolina at Greensboro made possible a cultural event for the whole area, even while it derived the benefit of having its drama department work with a professional company in a fascinating educational experiment.

Greensboro is no hick town by a long shot. If it were, it would not have seen capacity houses turn out for dramas of such playwrights as Chekov, Anouilh, and Miller. Unfortunately, however, Greensboro has so little live, professional theater that many in the audiences found the going slow at times. Most found the magic of the stage, the artistry of the players, and the skill of the set designers worked their spell in time, as they have on audiences over the centuries. What the city needs is more live theater, of the caliber which the National Repertory provided.

Greensboro was the smallest city on the 1963–64 tour of the theater. Hopefully, it has shown an interest, and given a welcome, which will give it a place on the repertory company's future schedule. The curtain should rise on many more dramas here as a result of renewed and deepened interest in the theater which the National Repertory Theater has left behind in the Piedmont.

[From the Greensboro Daily News, Oct. 12, 1963]

A VITAL AND MOVING EXPERIENCE

The National Repertory Theater's stunning presentation of Anton Chekhov's "The Sea Gull" Thursday night at Aycock Auditorium lived up to advance notices.

For a long time, indeed many years, the best minds in the American theater have dreamed of a truly national theater in the United States. Now they have one.

And the decision to focus its premiere on a university campus in a small American city, with preliminary "in residence" status and student seminars, was a felicitous one. The experiment, with its cross-pollination, has proved rewarding for campus and company—not to mention the theatergoing public.

Eva Le Gallienne's presence mixed a bit of theatrical magic in the brew. For the first performance she not only wrote the English translation; she performed the leading role, that of the fascinating, domineering Madame Treplev. To see such genius on stage at Aycock was to recognize the most rewarding side of this happy project.

In every respect NRT's production of "The Sea Gull" had the aura of professional skill. The cast, both talented and varied; the direction, the stage design, the lighting—all provided the essence of good theater.

President Kennedy's telegram of congratulations spoke of the efforts of the National Repertory Theater to "bring theater as a vital and moving experience to universities and student bodies" and to "give the American theater new distinction and at the same time a wider public."

That it has done this week in Greensboro.

HISTORY OF THE FIRST BANK OF THE UNITED STATES

Mr. ROBERTSON. Mr. President, 1963 marks the 100th anniversary of the national bank system and our dual banking system. Also, 1963 is the 50th anniversary of our central bank, the Federal Reserve System. The Federal Reserve Act was approved by President Wilson on December 23, 1913. This system is a truly unique combination of centralization—represented by the Board of Governors and the Washington staff—and local activity—represented by the 12 Federal Reserve banks. It is also a unique combination of governmental participation, represented by the seven members of the Board, nominated by the President and confirmed by the Senate, and acting pursuant to statutes vesting in the Board a substantial part of the Congress' power to coin money and regulate the value thereof, and private participation represented by member bank ownership of the stock of the Federal Reserve banks and the selection of six of the nine directors of each Federal Reserve bank from private enterprise.

For many years before the creation of the Federal Reserve System we had no central bank. Two earlier efforts to establish a central bank were made in the beginning of our Nation's history, and, as might be expected, they became the subject of violent political controversy. The first Bank of the United States was created in 1791, and it continued to 1811. The second Bank of the United States was incorporated in 1816 and continued under its Federal charter until 1836. Many of the documents relating to the first and second Banks of the United States have been reprinted by the Banking and Currency Committee in a committee print entitled "Federal Banking Laws and Reports, 1780–1912."

On October 16, 1963, I inserted in the RECORD a letter from the Honorable Laurens M. Hamilton, of Washington and Fauquier County, Va.—a direct descendent of Alexander Hamilton—in which Mr. Hamilton discussed the relation between the selection of a site for the District of Columbia and the assumption by the Federal Government of State obligations.

I should like to insert in the RECORD at this point another informative letter from Mr. Hamilton in which he sets forth many interesting facts concerning the first Bank of the United States. I ask unanimous consent that this letter be printed in the RECORD at this point.

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

WASHINGTON, D.C.,
November 14, 1963.

Hon. A. WILLIS ROBERTSON,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: With reference to your request of October 5 last and in supplement to my letter of October 15 (which you saw fit to have inserted in the CONGRESSIONAL RECORD of October 16) I am happy to submit for your information the following summary of Alexander Hamilton's part in the setting up of the first Bank of the United States.

When Hamilton, then Secretary of the Treasury, submitted to the Congress on December 13, 1790, his "Report on a National Bank" it marked the fruition of at least 10 years' study on his part. The first record I find of his interest in the subject is contained in a letter he wrote to James Duane on September 3, 1780, in which he went to considerable length as to improvments he thought essential for the establishment of a sound National Government. In that letter he took up in due coures the need for a central bank. Among other things he wrote: "And why cannot we have an American bank?"

Hamilton's next reference to this subject I find in his letter to Robert Morris under date of April 30, 1781. In this letter he wrote: "I mean the institution of a National Bank."

The latter letter no doubt played an important part in persuading Robert Morris to organize the Bank of North America which might be considered the precursor of the Bank of the United States. The Bank of North America was chartered by the Continental Congress in 1781 at the instance of Robert Morris and it is interesting to note that among its original stockholders and depositors, in addition to Morris himself, were Hamilton, Benjamin Franklin, Jefferson, Monroe, John Jay, John Paul Jones, and Stephen Decatur. It is my understanding that this bank served a most useful purpose during the ensuing years but passed out of existence in 1787 or 1788 when the Articles of Confederation were replaced by our present Constitution.

Hamilton's "Report on a National Bank" was first considered in the Senate, while the House was busy debating Hamilton's proposed revenue system. His report was a lengthy one and contained a most detailed reference to precedents of banks established in different European countries and cities and even anticipated some of the possible objections to his proposal. The draft of the proposed bill, in Hamilton's own handwriting, was incorporated in his report. There was one blank space when it came to the name of the national bank he proposed, leaving it open as to whether the new bank should be the successor and namesake of the Bank of North America or, as was eventually decided, created as a new bank under the name of Bank of the United States.

Hamilton's draft was reported by Caleb Strong in behalf of the committee of the Senate on January 3, 1791. After debate and various unsuccessful attempts by Monroe and others to make various amendments the Senate passed the bill on January 20, 1791, and it is interesting to note that the question of the constitutionality of such a bank was not raised in that body.

The bill was read in the House on January 21, 1791, and, no amendments being offered, was reported to the House for third reading the next day. A motion to recommit made by Smith, of South Carolina, and supported by Madison was defeated.

The engrossed bill itself was then debated and I find here a reference which would explain and excuse the misapprehension you were under when you addressed the American Bankers Association on October 4. In J. C. Hamilton's "History of the Republic of the United States" I find the following comment on page 236 in volume IV:

"With these were mingled earnest denials of the charge that the opinions of the opponents of the bill had been warped by considerations connected with the future seat of government."

After 6 days of debate, the bill was passed by the House on February 8, 1791, by a vote of 39 to 20, and on the 14th of February was presented to President Washington for his approval or veto.

At this time strenuous efforts were made by the Attorney General and the Secretary of State to preoccupy Washington's mind. Randolph, the Attorney General, presented an opinion to the President on February 12, 2 days before the act of Congress was laid before him, in which he asserted that the power of creating corporations was not expressly given to Congress and that the proposed incorporation of a bank was therefore unconstitutional.

The opinion of Jefferson, dated the day after the bill passed the House and 6 days before it reached the President, followed the same general and even specific lines as that of Randolph.

The opinions of Randolph and Jefferson were communicated by the President to the Secretary of the Treasury on February 16, with a request that the latter would comment on the arguments for and against the measure before he [the President] expressed an opinion. On February 23, after an all-night discussion of the question with William Lewis of Philadelphia, a distinguished member of the bar, Hamilton submitted to the President his "Opinion on the Constitutionality of a National Bank."

This document is printed at length in volume 1 of "The Works of Alexander Hamilton," published in New York in 1810. It is too lengthy to include in such a summary as this, but it is interesting to note that in it Hamilton enunciated for the first time "the Doctrine of Implied Powers" which was subsequently upheld by Chief Justice Marshall in several cases and is as recognized today as part of our jurisprudence as it was at that time.

The arguments presented by Hamilton convinced the President who signed the bill on February 25, 1791, and thus made it the law of the land. It is of passing interest to note that Madison had prepared a veto message for the possible use of the President should he accept the reasoning of Randolph and Jefferson rather than the reasoning of Hamilton.

The Bank of the United States was incorporated with a capital of $10 million represented by 25,000 shares of $400 par value each. One-fifth of this capital was subscribed by the Government and the rest by private individuals who were listed by the act to 1,000 shares each.

The bank opened for business on December 12, 1791. Its head office was located in Philadelphia with branches later established in other cities. Its charter expired in 1811, and a proposal then to renew that charter was defeated by the "casting vote" in the Senate of the then Vice President, George Clinton. On liquidation, $434 was paid to each $400 par value share and in the interim annual dividends averaging 8¾ percent had been paid.

That completes the history of the first Bank of the United States and I will not prolong this summary by giving the history of the second Bank of the United States which was incorporated in 1816 and of which, after some years of mismanagement, Nicholas Biddle of Philadelphia served as president from 1823 to 1833. In this latter year a dispute between Biddle and President Jackson led the latter to remove all Government deposits. The charter of this second bank expired in 1836 and there has been no central bank as planned by Hamilton since then. Today, of course, and for many years past, the functions of a central bank have been exercised by the Federal Reserve System of which the late Senator Carter Glass of Virginia was the creator.

I hope that this summary, which I have tried to make as brief as the importance of the subject permits, will serve your purpose.

With my respectful regards, I am,

Sincerely yours,

LAURENS M. HAMILTON.

SEC POSITION ON REGULATION OF COMMINGLED FUNDS MAINTAINED BY BANKS

Mr. ROBERTSON. Mr. President, on November 20, 1963, a discussion occurred on the floor of the Senate concerning the question of the jurisdiction of the Securities and Exchange Commission and the bank supervisory agencies over the administration of commingled funds by banks. This discussion arose as the result of language inserted in the report of the Independent Offices Appropriations Act 1964 and referred particularly to a bill, S. 2223, introduced by the junior Senator from Colorado, which would amend the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940 so as to eliminate from those acts any authority which may now be vested in the Securities and Exchange Commission to regulate collective investment funds maintained by banks, whether they come under the head of common trust funds or Smathers-Keogh trust funds or pooled managing agency or custodian accounts. This bill was referred to the Committee on Banking and Currency, and we are now awaiting agency comments on it.

As a result of the discussion of the question on the floor of the Senate on November 20, I ask Mr. Cary, the chairman of the Securities and Exchange Commission, to write me setting forth the background of the matter and his views on the question of the new proposal.

Mr. Cary's letter setting forth the position of the Securities and Exchange Commission on this matter will be of interest to the public. It will supplement the explanation given by the Senator from Colorado when he introduced the bill on October 8—pages 18979–18981 of the CONGRESSIONAL RECORD—and the discussion of the matter on the floor on November 20—pages 22427–22432 of the CONGRESSIONAL RECORD. It will also supplement the discussion of the matter which occurred before the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations on May 20, 1963, which resulted in that committee's fifth report submitted June 19, 1963—House Report 429, 88th Congress.

I believe it would be appropriate to print Mr. Cary's letter in the RECORD. In requesting this, however, I want to make it entirely clear that I am doing so only so that his views may be brought to the attention of all interested parties. They refer to a bill now pending before the Banking and Currency Committee on which I wish to reserve judgment until we have had reports from the other interested agencies and until the matter has been fully explored. Mr. President, I ask unanimous consent that Mr. Cary's letter be printed in the RECORD at this point.

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

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., November 27, 1963

Hon. A. WILLIS ROBERTSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ROBERTSON: This is in response to your request by telephone Friday for an expression of our views as to the applicability of the Federal securities laws to the proposed offering to the public of units of interest in common or commingled funds operated by banks.

Unlike the bank depositor who has the absolute right to receive the fixed amount he has deposited, the investor in the bank commingled fund will buy a pro rata share of a pool of largely equity securities, and the value of his investment will fluctuate in accordance with the market performance of the pooled portfolio. To us this is indistinguishable from the purchase of a share in the mutual fund. The only difference is one without substance or significance to our responsibility for investor protection—namely, that a bank will sponsor and manage the mutual fund rather than an investment banker, investment adviser, insurance company or some other organization. Accordingly, we have taken the position that the units of interest in the commingled fund must be registered under the Securities Act of 1933 and the fund itself registered under the Investment Company Act of 1940.

In the past the commingled fund activities of banks have been severely limited. The Federal Reserve Board was particularly sensitive to the problem of the banks entering the securities business, and during the more than 25 years that it had jurisdiction over bank commingled fund activities the Board restricted the use of bank common trust funds to trusts set up for "bona fide fiduciary purposes." The Board explained in the May 1940 issue of the Federal Reserve Bulletin that the purpose of this prohibition was "that trust guise or form should not be used to enable a trust institution to operate a common trust fund as an investment trust attracting money seeking investment alone and to embark upon what would be in effect the sale of participations in a common trust fund to the public as investments."

Such strictly limited common trust funds were exempted by the Congress from the Investment Company Act, by section 3(c)(3) of that act. When, as happened in a few instances, a bank overstepped the boundaries set out by the Federal Reserve Board by advertising the availability of its common trust fund as an investment medium the Commission took the postion that the bank was operating an unregistered investment company in violation of the provisions of the Investment Company Act. In addition, the Federal Reserve Board warned the bank to cease engaging in the activity.

However, banks continually sought to expand the scope of permissible activity of common trust funds. These attempts were stepped up in the late 1950's as banks watched the spectacular growth of the mutual fund industry and looked for a way to capture some of the market for themselves. The Federal Reserve Board consistently resisted this attempt to enlarge the scope of common trust fund activity—in December 1960 even proposing to narrow the definition of the type of trust whose assets

could be commingled in the common trust fund. The struggle between the banks and the Federal Reserve Board was described in an article which appeared in the November 1962 issue of Trusts and Estates by Joseph H. Wolfe, a vice president of the New England Merchants National Bank. (Mr. Wolfe was a member of the committee later appointed by the Comptroller of the Currency to assist him in drafting regulation 9.) Mr. Wolfe wrote:

"The memory of the bank holiday era was too fresh in the minds of the Board of Governors for them to promulgate rules and regulations that would really be effective for the type of service the banks needed to offer. A long struggle began on the part of trustmen to obtain a more liberal set of rules and regulations, with the administrative staff of the Board seeking to maintain the status quo. Trustmen wanted to explain and enlarge the theory of the common trust fund and to use the fund whenever it seemed appropriate in a growing market.

"One of the great fears in the minds of the Board was that trust departments would broaden the original scope and would be in a position to compete with savings departments and investment trusts. This feeling was so strong that the authors of the Trust Division's Common Trust Fund Handbook, second edition, published in 1948, gave the following warning to trustmen:

" 'This emphasizes and clarifies the extent to which the Board of Governors of the Federal Reserve System insists that a trust institution must go to avoid even the appearance of offering a common trust fund to the public as an investment.' "

In late 1962 two events occurred which were to lead to the presently contemplated expansion of bank commingled fund activity. Passage of the Self-Employed Individuals Tax Retirement Act of 1962 (the Smathers-Keogh bill) offered the opportunity of expanded activity by banks as well as others in the retirement plan area.

In addition, in September 1962 authority with respect to bank commingled funds including common trust funds was transferred from the Federal Reserve Board to the Comptroller of the Currency. In April 1963 the Comptroller issued new rules governing commingled funds in his revised regulation 9, which deleted the "bona fide fiduciary purpose" test that the Federal Reserve Board had used as a bulwark to keep the banks out of the mutual fund business and to limit their activities to traditional trust business. While the banks have traditionally provided investment advice for large individual accounts (which they call managing agency accounts) just as have investment counsellor firms, regulation 9 for the first time permitted the commingling of mangaging agency accounts, which would allow the banks to handle large numbers of smaller investment accounts on a pooled basis. When the investment counsellor firm provides advice on such a pooled basis, the pool is known as a mutual fund and is subject to the Investment Company Act.

It is interesting to note that bankers themselves have, in discussing the need from the bank's point of view for expanding the permissible scope of common trust fund activity, been well aware that they were entering the securities business. For example, when the chairman of the committee which assisted the Comptroller in drafting regulation 9, Reese H. Harris, Jr., executive vice president of Manufacturers Hanover Trust Co., New York, urged at the Mid-Winter Trust Conference of the American Bankers Association in 1962 that the banks be given the powers which were eventually accorded to them by regulation 9, he concluded by saying:

"However, I believe we should be privileged to pool the investments of all sizes of managing agencies because collective investing is the best way to invest customers' funds in most cases. I realize that this probably means operating open-end investment trusts for selected customers, and perhaps eventually for the public. I am willing to accept this to permit us to take care of the needs of our existing customers and, in addition, serve others who may never enter the doors of our trust departments if we do not have a service that appeals to them as they accumulate an estate."

The interests in bank commingled funds which would be used for Smathers-Keogh retirement plans fall within the definition of a security contained in section 2 of the Securities Act. For such activity to be profitable to the banks the interests in such funds would, as bankers themselves have admitted, have to be widely merchandized to large numbers of people. Such public offerings would be subject to the registration and disclosure provisions of the Securities Act. They would, however, be exempt from the Investment Company Act, by section 3(c)(13) of that act as are other pension or profit-sharing plans qualified under section 401 of the Internal Revenue Code. The principles involved with respect to the applicability of the securities laws to the merchandising of bank sponsored Smathers-Keogh commingled funds are the same as those applicable when insurance companies offer interests in commingled funds for Smathers-Keogh plans, and when professional and other associations set up commingled Smathers-Keogh funds for their members. I might mention that the Prudential Insurance Co. of America has informed us that it plans shortly to file a Securities Act registration statement for its Smathers-Keogh plan; and several associations, including the American Bar Association and American Medical Association, have filed registration statements with us for their plans—which, incidentally, are to be trusteed by major banks. None of these registrants is contesting the applicability of the Securities Act.

With respect to bank commingled managing agency accounts, the banks, as pointed out above, are in effect now proposing to do precisely what the investment counselors did in the late 1920's and 1930's and what Congress in 1940 determined to be a mutual fund subject to the Investment Company Act. We have taken the position that both the Securities Act and the Investment Company Act would apply to such activities. The problem is the same as that presented by the variable annuity sold by the insurance industry, which the Supreme Court in 1959 determined fell within the scope of the Securities Act and the Investment Company Act. *S.E.C.* v. *Variable Annuity Life Insurance Co. of America*, 359 U.S. 65.

The Commission believes not only that the securities laws clearly apply to the contemplated expansion of bank commingled fund activities but that such applicability is necessary and appropriate. Investors in bank sponsored investment funds are entitled to the same protections as investors in funds sponsored by any other organization—whether a broker, investment counselor, insurance company, or other persons.

Some attack the necessity of applying the Federal securities laws on the ground that banks are presently thoroughly regulated and that investors are, therefore, furnished adequate protection. On the surface some might find this persuasive, but the reality is that this argument entirely misconceives the nature, purpose and thrust of bank regulation as distinguished from securities regulation. Bank regulation has the objectives of controlling the flow of credit in the monetary system, the maintenance of an effective banking structure and the protection of depositors. These are not designed to provide investor protection and any such protection they might provide is incidental. Investor protection is the precise focus of the Federal securities laws. I should add that the rationale of the bank regulation argument is not new. A comparable argument was repeatedly asserted as to insurance regulation by insurance companies who resisted the application of the securities laws to variable annuity programs. The Supreme Court rejected this argument in the Variable Annuity Life Insurance case mentioned above, and the concurring opinion of Mr. Justice Brennan contains an excellent analysis of the differences in securities and insurance regulation and concludes that the latter is inadequate for investor protection.

The banking industry seeks to avoid the application of the securities laws to their proposed activities. Consequently, the American Bankers Association was instrumental in having introduced S. 2223, the so-called Bank Collective Fund Act of 1963, which has been referred to your committee. The Commission is opposed to this bill.

The bill would provide a separate standard of regulation for collective investment funds maintained by banks—standard specifically designed to replace that created by the securities laws. The bill would achieve this result by exempting interests in collective investment funds, as defined in section 2(c) of the bill, from the definition of a security in the Securities Act and the Securities Exchange Act and by exempting the funds themselves from the definition of investment company in the Investment Company Act.

This technique underscores the fundamental criticism which the Commission has of the bill. The bill says, in effect, that even though a bank merchandizes interests in one of its collective investment funds to the public, it has not entered the securities business. It is the Commission's position that the bank has, at that point, entered the securities business, and that the same rules for investor protection should, at that point, be applicable to the bank as are applicable to other persons in the securities business. The emphasis of the Congress and the Commission over the last 30 years has been on the development of uniform rules for the protection of all investors. No purpose seems to be served by enacting special legislation for the protection of investors whose contact with the securities business is through banks merely because the banks have decided that the securities business is a profitable one in which to engage.

One reason that the bill has been drafted to deny that banks have entered the securities business in certain of their commingled fund activity apparently is to avoid any problems which might be raised under those portions of the Glass-Steagall Act which prohibit commercial banks from engaging in such business. To the extent that such problems exist, Congress will no doubt wish to deal with them directly. They should not be disposed of by a drafting technique, particularly when such technique would entail the loss of important safeguards for investors.

The standards which the bill would supply in place of those in the securities laws are meager and inadequate. For one thing, although as pointed out above bank commingled managing agency accounts are in substance only bank-sponsored mutual funds, the bill would provide none of the many regulatory provisions and protections which the Congress through the Investment Company Act has specifically accorded to investors in mutual funds. The Investment Company Act is a complex 47 page statute and I shall not attempt to list all the provisions here, but among the more important ones are: Prohibition against changes of a fund's investment policy without the consent of the shareholders or investors; limitations on the borrowing powers of funds and their ability to purchase securities on margin; prohibitions against advisory contracts being binding obligations of the fund for long periods of time; prohibitions against assignments of advisory contracts without the con-

sent of the shareholders or investors; limitations on joint activities by the fund with affiliated persons and of transactions between the fund and affiliated persons; requirements that the shareholders or investors be allowed to vote for directors for the fund and that a portion of the board of directors consist of persons not affiliated with the adviser or sponsor; and limitation on the extent to which the governing documents of the fund may contain provisions exculpating management personnel from liability.

The bill also provides inadequate substitutes for the disclosure requirements which apply to commingled funds under the securities laws. The securities laws require that full information concerning the fund be disclosed to prospective investors in a form which would permit them to make an intelligent investment choice. In addition they require the periodic reporting of information to investors which permits them to judge how well their investment is being managed.

Let me cite just a few of the important failures of the bill to provide adequate disclosures of these kinds. The banks may solicit investments in collective investment funds by using sales literature unaccompanied by anything in the nature of a prospectus. The prospectus itself as contemplated by the bill can consist of a plan (which may be a complex legal document) and a copy of the financial report of the fund for the latest year. As a consequence the investor is not told what his rights in the fund are in an intelligible form. The material the investor receives is not required to make disclosures with respect to matters as fundamental as who the persons are who will perform the advisory function for the fund (which may not be the bank) or the investment performance of the fund. Nor need periodic reports be sent to investors. Further, the bill does not provide the civil remedies for investors which are contained in the securities laws.

Finally, the bill contemplates that it would be administered by the three Federal banking agencies. While we do not object to the concept of a portion of securities regulation being administered, under certain circumstances, by other agencies, we do feel that with respect to the full range of regulatory and disclosure provisions which Congress has provided in the securities laws for mutual fund activities, governmental efficiency and uniformity of treatment would be served by having them administered by only one agency.

In short, our position is that the situation of all investors in commingled funds is the same whether the sponsor or the adviser is a bank, a private investment counselor, a broker-dealer, an insurance company, or some other person. Consequently, all these investors are entitled to the same protections. No purpose would seem to be served by enacting special legislation, let alone inadequate or discriminatory legislation, each time a new industry decides that the securities and commingled fund business is a profitable one in which to engage. Hence, we are opposed to the so-called Bank Collective Fund Act of 1963.

Sincerely yours,

WILLIAM L. CARY,
Chairman.

CATHOLIC ORDER MARKS 75TH ANNIVERSARY IN INDIANA

Mr. HARTKE. Mr. President, I invite attention to the Sisters of Saint Joseph, Tipton, Ind., who are this year celebrating the 75th anniversary of the founding of their order. This group, dedicating themselves to our Lord and humanity, has woven love and learning into the religious fabric of our Hoosier State. Perhaps the best expression of our gratitude to these Sisters is found in a resolution honoring them which was adopted December 10, 1963. Mr. President, I ask unanimous consent that the text of this resolution be entered at this point in the RECORD.

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

RESOLUTION HONORING THE SISTERS OF ST. JOSEPH OF TIPTON, IND., ON THE OCCASION OF THEIR 75TH ANNIVERSARY

Whereas the Sisters of St. Joseph of Tiption, Ind., are celebrating the 75th anniversary of their order's founding; and

Whereas they have been teaching in parochial schools throughout Indiana since 1888, and now staff 14 grade schools and 2 high schools; and

Whereas we students of the Catholic Youth Organization in the Indiana Muncie Deanery have all been taught by the Sisters of St. Joseph either in grade school or high school; Therefore be it

Resolved, That our public recognition of the great spiritual and scholastic contribution of the Sisters of St. Joseph to the youth of Indiana be hereby proclaimed; and be it further

Resolved, That this resolution be presented to the U.S. Congress through the interest of the U.S. Senator from Indiana Mr. VANCE HARTKE for inclusion in the U.S. CONGRESSIONAL RECORD; and be it further

Resolved, That the attached personal commendations of His Holiness Pope Paul VI to Mother M. Gerard Maher, Mother General of the Sisters of St. Joseph of Tipton, Ind., be appended hereto.

N. 6710 DAL VATICANO,
September 1963.

DEAR MOTHER GENERAL: The holy father has learned that the Sisters of St. Joseph of Tipton are celebrating this year the 75th anniversary of their activity in the diocese of Lafayette and of Fort Wayne-South Bend; and he graciously directs me to send you this expression of his felicitations and good wishes.

From small beginnings your congregation has been blessed with admirable growth of vocations and institutions, and has contributed generously toward the spreading of God's kingdom through Catholic education, and the dispensation of His mercy and charity in your hospitals and nursing homes. The Sovereign Pontiff prays that the future may bring ever increasing graces to your institute, and through your beneficient activities to the church in Indiana.

"It is in pledge of that divine favor, and as a token of his cordial benevolence, that His Holiness bestows upon you, upon the sisters, novices, and postulants of your congregation, and upon all those to whom you minister in school or hospital, his special paternal apostolic blessing.

With the assurance of my personal congratulations and prayerful good wishes, I remain, faithfully yours in Christ,

A. G. CARDINAL CICOGNANI.

Respectfully submitted.

RICK CANNON,
President, Catholic Youth Organization, Elwood, Ind.; Vice President, Muncie Deanery, Catholic Youth Organization.

ECONOMIC CONSEQUENCES OF DISARMAMENT

Mr. McGOVERN. Mr. President, I call the attention of the Senate to an important speech by Robert E. Rose, Director of the Washington State Department of Commerce and Economic Development. Mr. Rose addressed the Association of State Planning and Development Agencies in Puerto Rico, on November 20, 1963, on the subject "Economic Consequences of Disarmament."

I ask unanimous consent that the 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:

ECONOMIC CONSEQUENCES OF DISARMAMENT

(Address by Robert E. Rose, director, Washington State Department of Commerce and Economic Development, at the Association of State Planning and Development Agencies 18th annual conference, San Juan, P.R., November 20, 1963)

Paul Menk asked me several months ago if I would be willing to speak at our meeting on some phase of State economic development that I believe will be particularly significant during the decade of the sixties. In a weak moment I accepted. Subsequently, I wrestled with the problem of selecting a subject. The things that immediately come to mind are unemployment, industrial financing, State planning, industrial movements as related to expanding markets, and such similar engrossing subjects.

There is one subject, though, which stands out as we look to the years immediately ahead. While there is no certainly about it, it most assuredly can become an economic matter of considerable moment. There is widespread and fundamental disagreement among the lay public and among the experts about whether it should be done, and about what its consequences might be if we do pull it off. There is a manifest and disturbing lack of any action to prepare for it by State governments and by industry. These considerations persuaded me to get myself way out on a limb and talk about the economics of disarmament.

Now I know that the tough minded, pragmatic individuals here today—and in a highly complimentary sense, I think that perhaps this description fits all of you—tend to scoff at disarmament as a Utopian dream. Certainly, the monumental obstacles in the path make it a vague, other-wordly sort of thing in the face of all the real and urgent problems which we continually face. Even so, it can be demonstrated quite convincingly that the whole idea of disarmament is timely and plausible.

I think it fair to say that in our country today we find something closely akin to a fear of peace. Many people have allowed themselves to become mesmerized with the scale of defense expenditures to such an extent that they have some difficulty in conceiving of living without them. At the other end of the scale, there are those who take almost a blase attitude toward the economic consequences of disarmament. Their attitude apparently reflects a conviction that existing Government controls and cushions are sufficiently strong so that the economy could absorb the effects of any anticipated level of reduction, and hardly miss a step in the process.

Somewhere between these two, reason must lie. Both extremes, it seems to me, are fraught with danger.

The economic aspects of disarmament, which I want to talk about today, while of monumental proportions, are probably the easiest to cope with among the problems inherent in the concept of disarmament. Certainly the political problems are much more difficult.

To begin with, disarmament as now contemplated doesn't really mean to divest ourselves entirely of weapons and weapon systems. Only the purest moralist really advocates complete disarmament in that sense.

What we are talking about is arms control—stopping the buildup of arms, eventually reducing the stockpile of weapons, but retaining some firepower and the means of delivering. Any other view of disarmament, during our lifetime at least, is completely irrational; and it seems to me is completely out of step with the demonstrated spiritual and moral sophistication and maturity of men.

History is replete with civilizations and social systems that went out of business because of inability to protect themselves from internal insurrection or external aggression.

A people who had the misfortune to be judged by the English to be the long-sought missing link, halfway between men and animals, offers a dramatic illustration of the point. The English could tell they were not civilized because of various traits of theirs—not speaking English; not having high tea, and that sort of thing. They figured that anything this savage was not human. So the English—and I'm not really picking on them; any of the so-called civilized societies has similar distinguished episodes in its history—the English used to organize weekend hunting parties and shoot Tasmanians out of the trees.

The Tasmanians came out pretty poorly at this kind of warfare, having only bows and arrows for defense. They were cut down pretty well by the time the English decided there was a possibility that instead of being half animals they were simply primitive human beings and got them down out of the trees. Once down out of the trees, the rest of civilization hit them and venereal disease did away with a large number. What it didn't do, influenza and a few other things they had not been exposed to from Europe did; and there are only one or two left now. So within a few years Tasmania's social system will have ceased to exist because the Tasmanians couldn't maintain external order.

It still happens nowadays. You have got to have the ability to protect yourself. The need has not lessened in the mid-20th century.

Against this background and with these sorts of considerations, it seems to me that the possibility of working out a reasonable disarmament plan logically should be more real today than it has ever been before. I think this is true, not because of any increased love of humanity generated by moral disarmament groups, or any universal surge toward a real brotherhood of man; but because, for the first time in the world's history, there's a good chance that we could all end up quite dead if war occurred. This is rather a sobering thought for most of us, and is likely to slow us down at the threshold of all-out war. We know the devastating power of atomic weapons. We know the inadequacies of any civilian defense system, and for that matter, any general defense system.

The United States now has in the neighborhood of 3,400 intercontinental vehicles stockpiled in readiness for atomic war. This is the equivalent of over 7 tons of conventional explosives per capita for the entire population of the world. Even allowing for a relatively high percentage of loss in delivery, this destructive capability is equivalent to an overkill of 231 times for all Soviet strategic targets. Soviet Russia stands similarly ready to kill and be killed. Neither nation has any satisfactory defense against the threat which the other offers. And this is why I say that the receptivity and the practicality, and indeed the compulsions for disarmament, are more persuasive today than ever before.

The world as a whole is pouring billions of dollars into military programs which have become totally ineffective, if we are concerned, as we claim to be, with self-preservation rather than with mutual destruction. The $100 billion going into military programs is a defensive and aggressive waste equivalent to the total income of the poorer half of the world's population.

It must be readily apparent that while the economic effects of disarmament is one of the major problems associated with it, the economic effects could also represent not the smallest of the benefits to be gained.

Perhaps at this juncture we ought to define more specifically what we are talking about—at least in terms of probabilities. Among the disarmament proposals that have been advanced, the one which at the moment appears to be the most likely is that utilized by the Panel on Economic Impacts of Disarmament in its report to the U.S. Arms Control and Disarmament Agency, released in January 1962.

The Panel assumes that any ultimate agreement will be so constructed as to accomplish a reduction in defense expenditures over a period of years. The disarmament model assumed in the Panel report anticipates a reduction of defense expenditures to about one-fifth of their present size, over a period of 12 years. The total net reduction in expenditures would only amount to roughly one-half of the present defense budget, because of anticipated increased expenditures for international inspection and for other security and associated programs, such as NASA and the Atomic Energy Commission.

At present, our national defense budget is equal to about 10 percent of our gross national product. Employment in the Defense Establishment and defense industries stands at about the same percentage of our total labor force. So on the face of it, the disarmament model would appear to involve fairly minor adjustment problems for the economy as a whole, and this is pretty much the position that many economists have taken.

Certainly, on a cold statistical basis we have already dealt successfully with situations of much greater magnitude in 1945, and again in 1953, following the Korean conflict. During World War II, for example, the war or defense expenditures reached a peak of 42 percent of the gross national product. Employment in war industries, directly and indirectly, and in the armed services was at the level of about 40 percent of our total labor forces. In the Korean war, defense expenditures represented about 12½ percent of the gross national product.

Present circumstances, however, make the adjustment or transition problems in many industries considerably more difficult than they were in those periods. Back in 1945, for example, the shift from defense production to other kinds of production was roughly eight times what is presently contemplated. But there are a number of distinctions. That was a shift from a temporary makeshift production system back into a more normal pattern of peacetime production. During the war years personal savings reached unprecedented proportions. So with money available, and the tremendous pent-up consumer demand for products not available during the war, the outcome confounded many of the experts, and certainly went contrary to all previous postwar experiences. Instead of a depression or a recession, the country embarked on a postwar boom. In 1953 the adjustment was made from a similar temporarily distorted position. The circumstances today are quite different.

Our economy is expanding, but much too slowly. Our economic growth rate of 3 to 5 percent is a cause of considerable concern, as we look at the rapid growth rates in other countries. Soviet Russia is reportedly growing at the rate of 8 or 9 percent a year. The significance of this comes home when we recognize that an economy expanding at the rate of 9 percent a year will double in size every 8 years; while during the same period a growth rate of 4 percent means only about a 40-percent increase. Today we have the nagging problem of excessive unemployment. Employment of idle workers could add 2 to 3 percent to our growth rate at average levels of productivity. The increase in productivity per worker and the consequent declines in relative employment in agriculture and industry are also considerations. The estimated loss of jobs due to automation is at the rate of 40,000 a month. The problem is further compounded by a rapidly growing population and labor force. So it is against this sort of background that I think we need to look at the economic impact of disarmament today. The questions we must raise have to do with the effects of pyramiding losses and wrenches in the economy from disarmament on top of all of the other problems that we are now wrestling with. And we need to ask ourselves what we can do to avoid or minimize the economic hardships that may occur.

Now I believe that our economy is sufficiently strong and resilient to take the impact of disarmament successfully. I don't want you to construe my comments for one moment as being of an alarmist nature. I do believe that we are very foolish to sit idly by and do nothing in the way of developing plans and programs for the economic adjustments that must come with any disarmament program.

Last August the western edition of the New York Times carried a feature article on defense industry plans for conversion to civilian production. The title turned out to be a misnomer. The reporters who did the story conducted a survey of a number of industries now engaged in defense work. Incredibly enough they found virtually no one giving any thought at all to conversion plans for their company. Based on discussions with industry and government, the article closed with this comment, which pretty well sums up what I'm trying to say:

"But virtually no one predicts that the sophisticated defense industries of today will be able to make the transition to civilian production as easily as their ancestors did after World War II. The reason given on both sides is the lack of planning."

The effects of defense dollars reach into the economy of all of the States to some extent, although this is a difficult thing to measure with any exactitude. It appears that there are some 10 or 12 States with 10 percent or more of their manufacturing employment in defense industries. I wonder if it would not be a worthwhile project for ASPDA to arrange for a planning conference of these States. I don't mean another conference where we call in the experts and have them reel out figures and statistics. The economic adjustment to arms control is becoming a matter of serious concern. It is something that will most certainly affect the economies of our various States. It is therefore something which we who are concerned with the planning and development of our States cannot in good conscience ignore. The kind of conference that I am suggesting would be a working affair where we could get together, roll up our sleeves, and see if we couldn't arrive at some active approach that the various State agencies can begin to take now to the advance planning that we must have in order to minimize any harmful economic effects from disarmament.

Of course there is another side of the coin. The depressant effects of disarmament could become the economic "straw that breaks the camel's back." I prefer to think of it, however, as the "match that could light the tinder," for our economy is certainly capable of growth. What we need is some vigorous stimulus. And what better stimulus could we have than simultaneously relieving world tensions and transferring one-twentieth or more of our production to activities which would substantially increase our welfare?

What are some of these activities? The panel report which I mentioned earlier examines most of them in some detail. We could use more medical services, recreation, housing, education, research. We could im-

prove our transportation, develop our water resources, including the oceans. We could make more rapid improvements in urban facilities; improve the efficiency of our production system through higher rates of investment in plants and equipment. We could increase our investment toward the advancement of the underdeveloped economies.

We need to begin now to develop and refine proposals which would supplant, either through public or private means, the production now devoted to military needs.

It seems to me that this potential offered by a shift from military production should be of special interest to the States, especially State planning and development agencies. Among the suggested list of needs toward which production might be directed are included many items which have a very direct and substantial bearing on the economic development of individual States.

Disarmament adjustments would be of critical importance to those States which are heavily defense oriented, such as Washington, California, Kansas, Texas, Florida, Connecticut, Massachusetts, and so forth. None of the suggested avenues of alternative production appears to offer any hope of full and immediate use of surplus resources which might be freed in these localities. The majority of the present defense industries face great economic and technical difficulties in making any sort of transition from military to civilian production. It is likely that there will be relatively large scale unemployment of labor in these areas. Programs need to be developed, and they need to be developed now, which would at least minimize the effects of the transition.

Planning, whether to lessen the impact of adjustment or to exploit the opportunities for growth, most certainly must be done by the public and private sectors of the economy. In the public sector a part of this, of course, involves the dispersion of public funds into nonmilitary programs, some of which I mentioned earlier. Also in the public sector, possibilities for easing adjustment problems may include special resource development programs; low cost industrial loans on a massive scale; research and development funding for many purposes; massive manpower retraining programs; industrial relocation loans.

The States will most certainly be involved in administration of these programs. The States have a vital interest. And I believe the States should have something to say about what programs are ultimately adopted and how they are to be administered.

Our Governor in Washington State, Gov. Albert D. Rosellini, is keenly aware of the potentially serious consequences of disarmament. He is also enthusiastic over the great benefits that could accrue to society, if we are smart enough to plan and act intelligently. It is at his urging that I am suggesting a conference of States on this subject.

Governor Rosellini has been greatly concerned about Federal-State relations. From his opening address as chairman of the Governors' conference at its annual meeting last July, I have taken this quote:

"My fellow Governors, I believe it is essential that the executive branch of the Federal Government and the national Governors' conference join in a major effort to create closer, more direct, and more regular consultation with one another on matters of anticipated national programs, and the administration of them.

"I propose that the executive committee of our organization devote itself during the next year to studying the means by which this could be accomplished."

A conference of the States on disarmament might well evolve some constructive steps toward the closer working liaison needed in this important area of planning and programing for disarmament.

As to the private sector, industry must somehow be persuaded to begin planning now on conversion possibilities. I believe that State development agencies have a responsibility not only to stimulate action by industry but somehow to coordinate and mesh State planning and programing efforts with those of private industry within the borders of each State.

These are our challenges.

In Washington State we are concerned about disarmament. Our concern stems from the fact that more than a quarter of our basic industry is defense oriented. It is conceivable that disarmament for our State could mean a great waste of community resources, and economic hardship for the people of the State, lasting for some period of time. I am sure the people of my State are ready to make such a sacrifice should it be necessary. But the question that we must ask ourselves is: Is it necessary? Isn't it possible now to prepare plans and decide what course we are going to follow so that we may take proper steps at the State level to adjust to this eventuality. I believe it is, and I believe that a conference of those States most directly affected can hammer out some valuable approaches to the problem.

DR. GASTON FOOTE'S EULOGY OF PRESIDENT KENNEDY AT A MEMORIAL SERVICE AT THE FIRST METHODIST CHURCH, FORT WORTH, TEX.

Mr. YARBOROUGH. Mr. President, Dr. Gaston Foote, one of the most learned and devout men in Texas, a great leader at the First Methodist Church of Fort Worth, preached a moving memorial service to the memory of our late martyred President, John F. Kennedy, on Sunday, November 24, at Fort Worth, Tex.

I ask unanimous consent that Dr. Foote's memorial tribute to the late beloved John F. Kennedy be printed in full at this point in the RECORD.

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

OUR PRESIDENT—A MEMORIAL SERVICE,
NOVEMBER 24, 1963
(By Gaston Foote)

PRAYER

Eternal Spirit of God, source of all light and life, the sudden cataclysmic events of the world have driven us to our knees. We humbly kneel at Thy feet today because, if we were not willing to come, we were forced to come. Our desolation and bewilderment has commanded us to seek Thy presence for Thou alone art the source of our strength. The frailties of man are apparent all about us. We are but passing shadows in the mighty parade of human history. Only Thou art from everlasting to everlasting.

We offer our prayer, O God, for our sin-sick world. Millions of Thy children of every race, color, and creed have been stunned by the events of the moment. Perplexed by problems without solution, buffeted by sorrow, baffled by bullets of hate, we feel a dreadful sense of loneliness when men of great promise and power are taken from our midst. Bless the sorrowing peoples of the earth whose hope of freedom from the tyranny of oppression and poverty was centered in the devotion and the courage of the late President of the United States, John F. Kennedy.

We offer our prayer, O God, for our own beloved country. We are a people of many nations. The cultural heritages of the entire world flow within the bloodstream of our beloved America. From Boston to San Diego, from Seattle to Miami, we are a varied people. But we are a united people in that we rejoice in our liberties and glory in our sacred traditions. May we never cease to thank Thee for the noble heritage of our forefathers, bequeathed to us as free citizens of a free country. We bless Thy Holy Name for such men as Washington and Jefferson and Lincoln who conceived a country that was, itself, conceived in liberty and dedicated to the proposition that all men are created equal. We bless Thy Holy Name for John F. Kennedy, who so nobly and fearlessly epitomized this spirit of democracy with liberty and justice for all. We thank Thee for his strong heart, his indomitable courage, his untiring zeal, his unalterable belief in the American dream.

We raise our prayers to Thee, O God, for his beloved family. Bless his stricken father on his bed of affliction. Deal Thou graciously with his devoted mother. Hold within the hollow of Thy loving hand the gracious First Lady whose grief is beyond our power of comprehension. Fill with Thy love the great vacancy in the hearts of his beloved Caroline and John, Junior. May the united prayers of the Nation sustain them in this, their darkest hour.

We raise our prayers to Thee, O God, in behalf of John Connally, Governor of our great State. Bless the doctors and the nurses who assist the Great Physician in bringing him back to health and usefulness. Put Thine arm of love around the shoulders of his devoted wife, his sons, his daughter in this hour of trial.

We raise our prayers to Thee, O God, in behalf of our new President, Lyndon B. Johnson. Keep him in the strength of Thine undergirding love and sustain him in his momentous decisions by Thine infinite wisdom. May all of the finest resources of all of the people in America be put at his disposal that he may rise to greatness in this great hour. May he truly be our President, under the leadership of God.

We commit our lives, our fortunes and our future into Thy hands as we pray in the name of our crucified and risen Lord. Amen.

EULOGY

Four times in the history of the United States a President has died of an assassin's bullet. Abraham Lincoln was killed by John Wilkes Booth in 1865 while attending a play in the Ford Theater in Washington. James A. Garfield was shot by Charles J. Guiteau in 1881 while waiting to catch a train in the railroad station in the same city. William McKinley was killed while attending a reception in Buffalo, N.Y., by Leon Czolgosz. And now our own beloved President John F. Kennedy has been killed by an assassin's bullet.

As one of millions upon millions of persons who mourn his passing, I should like to lift up some of the many admirable characteristics of his short, eventful life.

He was a family man. He came from a closely knitted family of nine children. When the Kennedys all gathered at the family retreat at Hyannis Port, it must have been quite a hilarious occasion. And no man seemed to be more devoted to his own little family than our President. Despite the press of duties of the state which would have destroyed the ordinary man, John F. Kennedy took time to be with his children. Caroline, as familiar to most of us as are the children of our neighborhood, seemed to be "daddy's girl." John-John was the apple of his eye. It was not unusual for Washingtonians to see the Kennedys strolling across the White House lawn holding the hands of their two children.

In many ways the President showed his devotion for his brilliant and beautiful wife, Jackie. She in turn must have been extremely proud of her illustrious husband. One can well imagine what a different United States we would have if all our families were

as devoted to each other as were the members of our first family.

Our President was a religious man. He never insisted that his faith be practiced by those of other faiths but he insisted on practicing his faith. Seldom did a week pass without some news photographer snapping a picture of the President, either alone or with his family, entering a church door for divine services. He did not take time out for worship to be seen of men but rather to get himself a clearer vision of God.

Moreover he was a devoted student of the Holy Scripture. His speeches were filled with quotations from the Prophets, the Psalms, the Gospels and the writings of Paul. Like his predecessor, Abraham Lincoln, he made wide use of the eternal truths recorded in Biblical literature.

What a reproach our President's record at church is to some of us. We frequently say we are too busy to attend church. But with the intolerable burden of the responsibilities of state upon his shoulders he found time for God.

Our President was a man of sympathetic, human understanding. Born to wealth, he never lost the common touch. His sincere sympathy seemed always to be with the poor. He said, "If a free society cannot help the many who are poor it cannot help the few who are rich." His major social legislation was in behalf of the poor, the sick, the unemployed, the exploited.

One reason for his sympathetic understanding was the many sorrows in his own life. His older brother, whom he idolized, was killed in World War II. A sister was killed in a tragic plane crash. His father almost died of a stroke 2 years ago. Barely 3 months ago he buried part of his own heart in a little grave in Boston when his second son died before he was 2 days old. As if this were not enough, he suffered throughout his entire adult life from an injured back. When he spoke feelingly of the needs of his fellow Americans, there was a ring of utter sincerity in his voice.

John F. Kennedy was a man of great wisdom. His mind seemed to be on fire. It sparkled with a scintillating brilliancy. He was a prodigious reader and had the uncanny ability to read with great speed and clear understanding. He could dip down in any period of American history and feel completely at home. His choice of words was superb, his profundity of thought was startling. Yet he was not bookish. He did not seek truth for truth's sake; rather for the sake of action in today's world. He knew whereof he spoke and sought to lead the Nation into greater fields of endeavor.

Our President was a man of great courage. He wrote a significant book, entitled "Profiles of Courage" which, in retrospect, epitomizes his own life. Upon enlistment in the Navy he was given a desk job in Washington. Quickly tiring of his routine labors he finally became captain of a PT boat in the Pacific. The boat was cut in two by the enemy and he and his crew floundered for hours in the water. He swam for miles to an island dragging an injured member of the crew behind him holding in his teeth a strap of his comrade's lifesaver.

In his inaugural address he numerated the hardships through which Americans must pass to effect world security. Then he said, "I do not shrink from this responsibility, I welcome it." Hardly had he taken his seat in the White House when the Cuban crisis broke in all its fury. At the time when we needed a strong hand at the helm of the Ship of State John Kennedy was equal to the occasion. We were perhaps never closer to world holocaust than when the voice from Washington said to Mr. Khrushchev, "We demand that the offensive weapons now in Cuba be removed." The quarantine of the island and the turning back of the ships from Russia laden with war supplies is familiar to us all. Only a man with great courage could do that.

He showed no less courage amid problems of a domestic nature. When the hands of history pointed to the University of Mississippi crisis as one that demanded immediate settlement the words from Washington were loud and clear. Said the President, "We have every right to disagree with the law of our land; we have no right to defy it. Defiance of any law upon which we disagree would lead to defiance of all law." Once again a courageous voice had given stability in a critical hour.

Our President was a committed man. He spoke to the youth of America about the American dream as being something yet to be realized. He challenged us all to make democracy real not to 85 percent of the American people but to all of them. He challenged each of us to make our individual contribution to human welfare by the words: "Ask not what your country can do for you but what you can do for your country." In the establishment of the Peace Corps he challenged youth to change its image of the "Ugly American" to one of service above self. He was committed to the great American dream.

He was committed to world peace. His efforts were conciliatory, calculated to calm. He said, "Let us never negotiate out of fear but let us never fear to negotiate." Stanch supporter of the United Nations, he felt that peaceful negotiation was infinitely better than provocative irritation. He gave the supreme measure of his devotion to his country under the leadership of his God.

And now the assassin's bullet has found its mark. Hate pulled the trigger that killed him. And we who have let emotion rather than reason lead us, we who were quick to be critical and reluctant to help, we who were blinded by our prejudices have allowed hate groups to grow up in our midst until the very atmosphere has been conducive to producing the tragedy that has befallen.

I call you to an altar of penance in this our darkest hour. Let hate give way to love and vindictiveness give way to valor. Rise up, O men of God, with love in your heart for all of your fellow Americans everywhere and with knees bowed in penance and your hand in the hand of God, act and live as men worthy of our great tradition.

There is no benediction to this service. After you have knelt at the altar, let only the benediction of God go with you into the dawn of a better tomorrow.

DR. E. S. JAMES CALLS IN BAPTIST STANDARD FOR SUPPORT OF PRESIDENT JOHNSON

Mr. YARBOROUGH. Mr. President, E. S. James, the widely read editor of the Baptist Standard, has written a thoughtful editorial expressing his support for President Lyndon Johnson. Mr. James' observations well illustrate the obligation of every citizen, whatever party allegiance, to give his honor and loyalty to our President. I ask unanimous consent that the editorial "He Is My President" from the Baptist Standard of December 11, 1963, be printed in the RECORD.

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

HE IS MY PRESIDENT

(By E. S. James)

Never in American history has any man inherited quite so heavy a burden as that which fell on the shoulders of Lyndon B. Johnson when President Kennedy was felled by an assassin's bullet. Washington, Lincoln, Andrew Johnson, Wilson, and Roosevelt were called to lead the Nation in its most difficult hours; but most of their enemies were local, and their problems concerned this one Nation. President Johnson takes the helm when communism seeks to encircle us, friends threaten to desert us, and a motley horde of would-be leaders seems determined to set the people against one another. More than at any time in the past the Nation is splintered into many groups, and each group seems sure it has the only answer to all the problems.

This man with the heavy burden is my President. I did not vote for his ticket in 1960, but I vote for him today and will support him with all my might so long as he lives in the White House. If I feel he is not the best man for the place 11 months from now I can register my disapproval in the voting booth; but today he is my President, and I am grateful that he was present and prepared for it when the emergency arose.

From earliest childhood we were taught to respect the office and the person of the President of this country. Through the years we have heard many criticize the decisions and the policies of a national leader, but until 10 years ago it was unthinkable that anyone would accuse the man in the White House with disloyalty to his oath of office or unfaithfulness to the Nation that had elected him. Since John F. Kennedy came into the office every form of communication media has been used to charge or insinuate that he and many associated with him in the Government were seeking to destroy American democracy. In many instances the press, the public forum, and the pulpit were used to attack his every word and act. The mails have been flooded with cheap printed matter pouring out vitriolic words that must have penetrated even more deeply than the bullet that took his life. All who sought to factually appraise him came in for the same kind of abuse. How could a sane nation have failed to see that such an attitude must invitably result in a national tragedy?

Now we have a new man of stature in the office. How long he will be there nobody knows, but it will not matter whether he is there 13 months or 61 or 109, he will be my President so long as he is in the office. As a citizen, I owe the President my loyalty, and as a Christian I am privileged to claim the promises of prayer in his behalf.

The new President is human, and he will err, but he will still be my President. I will not always be happy with his decisions, but I will never accuse him of acting from an un-American motive. Should he ever seek my opinion about any matter, I will offer what I believe to be constructive suggestions. If they are rejected, I will not consider it a personal offense. If it ever seems that he is too easy on our national enemies, I will try to remember that the President is in a position to know when to be firm and when to bargain in the interest of the total good of humanity. He is my President, and he has access to information about which most of us can only speculate.

Lyndon B. Johnson is your President and mine. We owe it to him to protect him from the onslaughts of those who put personal gain above collective freedom. His honor, his reputation, and his freedom to make his own decisions according to the best judgment God shall give him should be defended by every right-thinking American. We owe the same allegiance to every elected official of government, but in a very special sense the President of the United States is a symbol of American freedom, and he has a responsibility that no other person on earth has. How good it would be if every person in this Nation would, from his heart, renew his pledge of allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

A CHRISTMAS POEM

Mr. CURTIS. Mr. President, as we are about to celebrate the birthday of the Saviour of the world, I would like to insert in the RECORD at this point a poem by Inez Sheldon Tyler.

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

A CHRISTMAS KYRIELLE

Tonight the Christmas star hangs low,
Just as it hung so long ago;
Familiar carols sound again,
With peace on earth, good will to men.

Our candle-lighted windows glow;
On baby pines soft-cadenced snow
Falls gently, harbinger as then
Of peace on earth, good will to men.

We bow our heads in gratitude;
For sky both clear and rainbow hued,
For sun that smiles on hill and glen
With peace on earth, good will to men.

It is for us to seek and find
This light of love for all mankind;
When will the world be filled . . . oh
when . . .
With peace on earth, good will to men?

When every heart becomes aware,
May come, through universal prayer,
A blessedness beyond our ken
With peace on earth, good will to men.

—INEZ SHELDON TYLER.

PRESIDENTIAL SUCCESSION

Mr. BAYH. Mr. President, in the past few days I have inserted in the RECORD a number of articles and editorials dealing with the problem of Presidential succession. I have submitted them in the hopes that my colleagues will give this question the serious consideration it deserves.

Yesterday, I inserted a group of articles that dealt with the problem of Presidential disability—a subject covered in my proposed amendment—Senate Joint Resolution 139. Today, I would like to insert articles by Roscoe Drummond, David Lawrence, and the editors of the Washington Star dealing with the question of selecting a new Vice President, a subject covered in section 2 of my amendment.

There is little agreement as to the best way of choosing a new Vice President, but these three articles all point out the importance of finding some equitable mechanism for making such a choice. I ask unanimous consent that they be printed at this point in the RECORD.

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

[From the Washington (D.C.) Post, Dec. 15, 1963]

PROBLEM FOR CONGRESS: SUCCESSION DEFICIENCIES

(By Roscoe Drummond)

It is well that fresh and urgent consideration is being given to the twin problems of Presidential disability and Presidential succession.

Some of the most dangerous exigencies in the event a President is unable to perform his duties are left unresolved by the Constitution.

As to Presidential succession when there is no Vice President, there is a growing opinion among experienced students of government that this matter was badly resolved by Congress in its act of 1947 which put the Speaker of the House and the President pro tempore of the Senate next in line.

During the past 76 years Congress has provided two different lines of succession after the Vice President. In 1886 Congress stipulated that, beginning with the Secretary of State, the Cabinet officers would succeed. It repealed this law in 1947 and put the Speaker and the Senate's President pro tempore first in line.

The practical question—and now a most pressing practical question since there is no Vice President—is which line of succession (Speaker and Senate President or Secretary of State and Secretary of the Treasury) would better meet the requirements of the Presidency and the needs of the Nation?

To get the answer, we should examine what we most want the line of succession to provide. These are the essential ingredients:

Continuity of ability—as far as possible.

Continuity of policy.

Continuity of the party that won the previous presidential election.

On the basis of recent history the prospects of getting either continuity of party or continuity of policy through the succession of House Speaker or Senate President is slim and recurringly uncertain. The fact is that in 8 of the past 16 years—that is, from 1947 to 1963—the succession of the Speaker would have put into control of the White House the party which lost the previous presidential election. From 1947 to 1949, while Mr. Truman was President, the Speaker of the House was a Republican, and during six of President Eisenhower's years, the Speaker of the House was a Democrat.

Surely a system of succession which could put the opposition party in control of the Presidency after the country has defeated its nominee in the previous election is an immensely dubious arrangement.

On the positive side no successor to the Presidency, after the Vice President, would more likely produce continuity of policy—as well as continuity of party—than the Secretary of State. He would have been at the center of policy formulation all the time and would invariably be one of the President's most trusted associates.

Looking over the sequence of Secretaries of State from Mr. Hoover to President Johnson—Henry Stimson, Cordell Hull, Edward Stettinius, James Byrnes, General Marshall, Dean Acheson, Foster Dulles, Christian Herter, Dean Rusk—the ability to serve as President is so high that it causes one to wonder why Congress ever changed the law of succession.

President Truman urged Congress to change the statute soon after F.D.R.'s death in 1945 and before the exacting burdens and qualifications of the Presidency had come fully home to him or our world responsibilities had become so awesome. The one objective argument which Mr. Truman advanced and Congress eagerly embraced was that the Speaker was an "elected official," but popularly elected to be a Congressman from only one district. Would the country as a whole elect the Speaker over the Secretary of State to succeed the President? I doubt it.

The merit of having a party-sponsored elected official in line for the Presidency is obvious, if it can be obtained. When there is no Vice President, why shouldn't the party which won the previous presidential election convene its national convention and choose another vice presidential nominee which could then be elected by the same electoral college that had elected the previous presidential ticket?

In a word, why not choose a Vice President to fill the vacancy as soon as possible?

[From the Washington (D.C.) Sunday Star, Dec. 8, 1963]

PRESIDENTIAL SUCCESSION

In the view of most observers, the United States is now faced with a critical problem of succession to the powers of the Presidency. According to the law of 1947, proposed by President Truman and passed by a Republican-controlled Congress, should President Johnson die or become incapacitated those powers would devolve upon House Speaker MCCORMACK.

The flaws in this prospect, and in the system which produces the prospect, are apparent. The Speaker will be 72 this month. Moreover, the structure of Congress is such as to all but guarantee that a Member becoming Speaker will be a man of advanced age. He also will almost surely be a man whose career has fitted him for legislative rather than executive duties.

It is being proposed that the Constitution be amended to elect a second Vice President. More seriously, it is being proposed that the process of Presidential succession be made to revert to that in effect before 1947. Under that practice, succession passed from the succeeding Vice President to Cabinet members in order of the seniority of their departments, beginning with State.

The idea of an elected second Vice President hardly bears scrutiny. Lyndon Baines Johnson is a fortunate exception to the general rule that our political parties rarely nominate for the Vice Presidency a man previously considered qualified for the presidential nomination. If the parties have been unable to prevail upon qualified persons to take the second spot, how will they fare when it comes to a third spot?

Before reverting to the system in effect prior to 1947, as is being urged, it is well to remember the reasons for the change. President Truman's thought was that our Chief Magistrate in any circumstance should have been elected by the people, at one remove or another. The reasoning has lost none of its cogency. Cabinet members are not, in fact, elected by the people nor by their elected representatives. They are appointed by the President.

Mr. Truman's reasoning was that it is basically wrong, however convenient it may be, for a President in effect to appoint his successor. Whatever the state of current dissatisfaction with the 1947 law, this still seems a powerful argument, wholly in accord with the spirit of the Republic.

It seems to us that the 1947 law, though inadequate, aims in the right direction. Congress should indeed and urgently consider a new law of succession. But such a law should not retreat from the degree of democracy attained in the last change.

Rather than return to succession by appointment, Congress should consider making it law that upon the succession of the elected Vice President to the Presidency, the House of Representatives shall meet as soon as possible and elect, not necessarily from among its own Members, a new Vice President.

This official would assume the presidency of the Senate and stand next in order of succession to the Presidency of the Nation. Continuity of Government would be assured. And the will of the people, through their elected representatives, would have been expressed in the selection of the new leader.

[From U.S. News & World Report, Dec. 23, 1963]

CHOOSING A PRESIDENT

(By David Lawrence)

An editorial on this page on January 11, 1960, expressed the view that the existing method of choosing a President was not satisfactory. At that time, opinion had not yet crystallized as to who the Democratic

or Republican candidates would be. The analysis, therefore, concerned primarily the method used in choosing a President rather than national issues. The editorial said:

"Our present system of choosing candidates for the Presidency relies on luck and chance.

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"America has been lucky, generally speaking, in her selection of Presidents, but the sad truth is that several Presidents have not been able to do in their first term as good a job as in their second term.

"This is because the first term is often taken up largely with learning procedures and the background of national and international problems.

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"Some of our Presidents, of course, have had legislative experience in Congress, but it is unfortunately true that no man who has been leader of his party in either the House or the Senate has been nominated for the Presidency in the last half century.

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"Wouldn't it be much better if we had a modified form of the parliamentary system, wherein a Prime Minister must earn his spurs in years of legislative combat? In most countries, like England and Canada, this means a day-by-day interrogation and response on every kind of problem of executive administration.

"The two men in America who today are qualified for the Presidency by experience comparable to that of parliamentary leaders abroad are Vice President Richard Nixon, Republican, and Senator Lyndon Johnson, of Texas, Democrat. Mr. Nixon had served two terms in the House of Representatives and 2 years as a Senator when he was elected Vice President. He has been an unofficial spokesman of his party in Congress during the last 7 years, identifying the role of the Vice Presidency more with party leadership than ever before. In addition, Mr. Nixon not only has had frequent opportunities to sit with the President and his Cabinet and executive organizations like the National Security Council, but he has served effectively as liaison between the White House and Congress.

"Senator Johnson has shown the kind of skill and masterful knowledge in handling controversial legislation that is exhibited by the parliamentary leaders in other countries. No one else being prominently mentioned today for the Democratic nomination has had similar training. Mr. Johnson, to be sure, lacks administrative experience, but, if America had adopted some form of parliamentary government, a Senate leader like Mr. Johnson would have had plenty of opportunity to become familiar with executive problems."

This country is lucky again. President Johnson today brings to the White House many years of leadership experience in Congress.

But who would succeed him in an emergency? There is no Vice President now. Nobody is giving his full time to the Cabinet meetings and conferences such as those which Mr. Johnson attended.

A constitutional amendment is needed to require that Congress in joint session shall immediately elect a Vice President when a vacancy occurs in that office. He should be chosen not from the Cabinet but from the membership of Congress itself. He should be a man trained in a leadership position.

Sooner or later, as Woodrow Wilson wrote in his letter to Congress a few days before he was inaugurated as President in 1913, the American people must consider some change in their system whereby a President is "made answerable to opinion in a somewhat more informal and intimate fashion—answerable, it may be, to the Houses whom he seeks to lead, either personally or through a Cabinet, as well as to the people for whom they speak." Mr. Wilson added:

"But that is a matter to be worked out—as it inevitably will be—in some natural American way which we cannot yet even predict."

The time is ripe for a fundamental change. While Congress is elected by the people, Cabinet officers are not. We have, moreover, in recent years suffered from a divided Government. There are four blocs in Congress rather than two parties.

It is necessary to establish party responsibility. This can be done by eliminating the fixed dates of elections and giving the people an opportunity to vote into power a new President or a new Congress whenever a two-thirds majority in Congress declares that an impasse between the executive and legislative branch has occurred. It is then that an election by the people should be held. The people shouldn't be asked to wait 2 or 3 years to record their decision on a major issue.

This is a rapidly moving age, and the people should always have instant control over the public officials who are chosen to govern them.

PRESIDENT JOHNSON AT THE U.N.

Mr. HUMPHREY. On Tuesday President Johnson told the United Nations that the United States wanted to end the cold war "once and for all." The President did not speak idle words, but matched his words to actions taken only last week. Secretary of Defense Robert McNamara announced last week that a large number of military installations would be closed out, and that military expenditures could be expected to level off and possibly go down in the next several years.

President Johnson stated that the time has come for "a new era of hope"—"hope and progress for that one-third of mankind that is still beset by hunger, poverty, and disease."

A diversion of funds away from the weapons of war to the tools of peace could attack and eliminate this "hunger, poverty, and disease." Approximately $120 billion per year are spent in the world today for armaments. Even a small fraction of this amount would go a long way toward serving the basic needs of people. Weapons will not serve them and cannot protect them. Our own expenditures for defense are very great, but as the President pledged "the United States will do its full share."

The President reiterated our unswerving commitment to keeping and preserving the peace.

Peace—

He said—

is a journey of a thousand miles. It must be taken one step at a time.

We are willing to take those steps: to eliminate the cold war, prevent dissemination of nuclear weapons, press on with arms control and reduction, and to cooperate with other nations in the United Nations in conquering everywhere the ancient enemies of mankind, "hunger, disease, and ignorance." This was a great address—a noble and strong commitment to peace, freedom and strength.

I ask unanimous consent to include the full text of President Johnson's address to the United Nations, the text of a press conference of President Johnson, and an article by Walter Lippmann in the CONGRESSIONAL RECORD.

There being no objection, the address, press conference text, and article were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT TO THE UNITED NATIONS GENERAL ASSEMBLY, NEW YORK, N.Y. (AS ACTUALLY DELIVERED)

Mr. President, Mr. Secretary General, distinguished delegates to the United Nations, ladies and gentlemen, we meet in a time of mourning, but in a moment of rededication. My Nation has lost a great leader. This organization has lost a great friend. World peace has lost a great champion.

But John Kennedy was the author of new hope for mankind, hope which was shared by a whole new generation of leaders in every continent, and we must not let grief turn us away from that hope. He never quarreled with the past. He always looked at the future. And our task now is to work for the kind of future in which he so strongly believed.

I have come here today to make it unmistakably clear that the assassin's bullet which took his life did not alter his Nation's purpose. We are more than ever opposed to the doctrines of hate and violence, in our own land and around the world. We are more than ever committed to the rule of law, in our own land and around the world. We believe more than ever in the rights of man, all men of every color, in our own land and around the world. And more than ever we support the United Nations as the best instrument yet devised to promote the peace of the world and to promote the well-being of mankind.

I can tell you today, as I told you in 1958 when I came as majority leader of the U.S. Senate to the first committee of this great tribunal, that the full power and partnership of the United States is committed to our joint effort to eliminate war and the threat of war, aggression and the danger of violence, and to lift from all people everywhere the blight of disease, and poverty, and illiteracy.

Like all human institutions, the United Nations has not achieved the highest of hopes that some held at its birth. Our understanding of how to live, live with one another, is still far behind our knowledge of how to destroy one another.

But as our problems have grown, this organization has grown, in numbers, in authority, in prestige, and its member nations have grown with it, in responsibility and in maturity.

We have seen too much success to become obsessed with failure. The peacekeeping machinery of the United Nations has worked in the Congo, in the Middle East, and elsewhere. The great transition from colonial rule to independence has been largely accomplished. The decade of development has successfully begun. The world arms race has been slowed. The struggle for human rights has been gaining new force.

And a start has been made in furthering mankind's common interest in outer space, in scientific exploration, in communications, in weather forecasting, in banning the stationing of nuclear weapons, and in establishing principles of law.

I know that vast problems remain, conflicts between great powers, conflicts between small neighbors, disagreements over disarmament, persistence of ancient wrongs in the area of human rights, residual problems of colonialism, and all the rest. But men and nations, working apart, created these problems, and men and nations working together must solve them.

They can solve them with the help of this organization, when all members make it a

workshop for constructive action, and not a forum for abuse; when all members seek its help in settling their own disputes as well as the disputes of others; when all members meet their financial obligations to it; and when all members recognize that no nation and no party and no single system can control the future of man.

When I entered the Congress of the United States 27 years ago, it was my very great privilege to work closely with President Franklin Delano Roosevelt. As a Member of Congress, I worked with him to bring about a profound but peaceful revolution. That peaceful revolution brought help and hope to the one-third of our Nation that was then ill housed, ill clad, and ill nourished.

We helped our working men and women obtain more jobs and we helped them obtain better wages. We helped our farmers to own and improve their own land, and conserve their soil and water, and electrify their farms.

We harnessed the powers of the great rivers, as in the Tennessee Valley and lower Colorado. We encouraged the growth of cooperatives and trade unions. We curbed the excesses of private speculation. We built homes in the place of city slums, and we extended the rights of freedom of all our citizens.

Now, on the world scale, the time has come, as it came to America 30 years ago, for a new era of hope, hope and progress for that one-third of mankind that is still beset by hunger, poverty, and disease.

In my travels on behalf of my country and President Kennedy, I have seen too much of misery and despair in Africa, in Asia, in Latin America. I have seen too often the ravages of hunger, and tapeworm and tuberculosis, and the scabs and scars on too many children who have too little health and no hope.

I think that you and I and our countries and this organization can, and must, do something about these conditions. I am not speaking here of a new way of life to be imposed by any single nation. I am speaking of a higher standard of living, to be inspired by these United Nations. It will not be achieved through some hopeful resolution in this Assembly, but through a peaceful revolution in the world, through a recommitment of all our members, rich and poor, and strong and weak, whatever their location or their ideology, to the basic principles of human welfare and of human dignity.

In this effort, the United States will do its full share. In addition to bilateral aid, we have with great satisfaction assisted in recent years in the emergence and the improvement of international developmental institutions, both within and without this organization.

We favor the steady improvement of collective machinery for helping the less-developed nations build modern societies. We favor an international aid program that is international in practice as well as purpose. Every nation must do its share. All United Nations and their members can do better. We can act more often together. We can build together a much better world.

The greatest of human problems, and the greatest of our common tasks, is to keep the peace and save the future. All that we have built in the wealth of nations, and all that we plan to do toward a better life for all, will be in vain if our feet should slip, or our vision falter, and our hopes ended in another worldwide war. If there is one commitment more than any other that I would like to leave with you today, it is my unswerving commitment to the keeping and to the strengthening of the peace. Peace is a journey of 1,000 miles, and it must be taken one step at a time.

We know what we want: The United States wants to see the cold war end, we want to see it end once and for all; the United States wants to prevent the dissemination of nuclear weapons to nations not now possessing them; the United States wants to press on with arms control and reduction; the United States wants to cooperate with all the members of this Organization to conquer everywhere the ancient enemies of mankind—hunger, and disease and ignorance; the United States wants sanity and security, and peace for all, and above all.

President Kennedy, I am sure, would regard as his best memorial the fact that in his 3 years as President the world became a little safer and the way ahead became a little brighter. To the protection and the enlargement of this new hope for peace, I pledge my country and its Government.

My friends and fellow citizens of the world, soon you will return to your homelands. I hope you will take with you my gratitude for your generosity in hearing me so late in the session. I hope you will convey to your countrymen the gratitude of all Americans for the companionship of sorrow which you shared with us in your messages of the last few weeks. And I hope that you will tell them that the United States of America, sobered by tragedy, united in sorrow, renewed in spirit, faces the New Year determined that world peace, civil rights, and human welfare become not an illusion, but a reality.

Man's age-old hopes remain our goal; that this world, under God, can be safe for diversity, and free from hostility, and a better place for our children and for all in generations in the years to come. And therefore, any man and any nation that seeks peace, and hates war, and is willing to fight the good fight against hunger and disease and ignorance and misery, will find the United States of America by their side, willing to walk with them, walk with them every step of the way.

Thank you very much.

PRESS CONFERENCE NO. 2 OF THE PRESIDENT OF THE UNITED STATES, WEDNESDAY, DECEMBER 18, 1963

The PRESIDENT. You mean I have that many friends out there that I have been missing all of these days? I thought everybody I knew had been in here.

Question. Mr. President, could you give us an exposition of your attitude toward perhaps an early meeting with Premier Khrushchev?

The PRESIDENT. I am ready and willing to meet with any of the world leaders at any time there is any indication a meeting would be fruitful and productive. When there are such indications, I will be glad to make a decision and inform you of it.

I have already made a decision this morning, which I had anticipated opening the meeting with, to follow through on my December 14th announcement of Mr. Thomas Mann, as Assistant Secretary of State in charge of Latin American Affairs.

Because I want Mr. Mann to be the one man in the Government to coordinate the policies of this hemisphere after consultation with the Secretary of State, I am going to make him not only the Assistant Secretary of State in Charge of Latin American Affairs, but Special Assistant to the President. As Special Assistant to the President to coordinate our policies in Latin America, he will be dealing with many other American agencies and other international agencies. We expect to speak with one voice on all matters affecting this hemisphere. Mr. Mann, with the support of the Secretary of State and the President, will be that voice.

Question. Mr. President, do you plan to ask for any legislation in the area of Presidential succession or disability, after your experience of the last few weeks?

The PRESIDENT. I have no plans. I have already carefully considered the disability matter and taken the action that I thought was necessary and desirable. I have a complete understanding and agreement with Mr. MCCORMACK.

Question. Would you spell that out, Mr. President. Your agreement with President Kennedy was rather carefully spelled out in writing.

The PRESIDENT. It is the same agreement.

Question. It is the same agreement. This is the same then.

The PRESIDENT. Identical.

Question. Mr. President, could you tell us any of the plans you have for Mr. Mann to take specific action? Apparently Latin America will also be one of your greatest problems and I wondered if you thought in terms of specific programs that can avert some dangers that seem to be in the making.

The PRESIDENT. Mr. Mann is in Mexico now, getting ready to come up here. He will review with all of the agencies of the Government concerned with Latin America his and the President's ideas. I have spelled those out to a limited degree in my letter to Mr. Mann, released last Sunday, and any amplification of them will come from Mr. Mann after he is inducted.

Question. Mr. President, Ambassador of Costa Rica Raymond Telles is in town for consultation. I wonder if you have any new assignment planned for him, and if you will see him.

The PRESIDENT. I would be glad to see him. I have no new assignments planned.

Question. Mr. President, can you tell us whether the budget will be under $100 billion or over?

The PRESIDENT. No one knows what the budget will be now, because we are trying the case, so to speak. We have dozens of agencies, independent agencies and Cabinet departments, who have made their requests and have not yet had it acted upon. Once it is acted upon, they still have the right to appeal to the President. The Joint Chiefs will appeal to the President from the recommendations they have made on December 30 at Johnson City. We have set that date and at that time we will try to finalize the budget for the Department of Defense.

I am working from a budget of $98.8 billion this year. It appears that we will expend about that amount, and maybe a little under or a little over, but substantially $99 billion will be the expenditures this year. That was the amount of Mr. Kennedy's budget. There are built-in increases of $1,790 million that are mandatory—military pay increase for 9 months, military retired pay, civilian pay, National Aeronautics and Space contracts, the Agency for International Development, Post Office rise, Federal Aviation Agency, urban renewal, and public assistance grants.

They run about $1 billion 8, and you have no choice about that. You will have to add that much. Then we have, as a result of the education bills that we have passed, the mental retardation bill, the manpower bill, and what we anticipate in the Appalachian program on poverty, about $1 billion 615 million more. So roughly, you can say $1 billion 7, and $1 billion 8. That is $3 billion 5.

Now, in addition to that, you are going to have increases that are requested for additional functions in various agencies. Most agencies, I would say a majority of the agencies, asked for an increase of some kind. They have to, because first, the civilian pay increase just makes the budget higher. But they have some new functions. We will add those to the two amounts that I have given you, and then we will start reducing from there. That is what we are doing now.

So no one can say with any authority, the President or the Director of the Budget or any department, what the budget is going to be, because it hasn't been determined. We are going to cut out every dime of waste that we can in order to have as much to spend on the unfilled needs of this Nation. We are going to be very careful not to sacrifice our military posture or weaken our combat strength.

But where we can, we are going to reduce the expenditures that are not essential to the Defense Establishment. I anticipate that the first of the year, the Defense Department for the first time in 15 years will have below 1 million civilians employed. I anticipate there will be installations in 15 States that will be well on the road to being closed because they serve no essential defense need. I anticipate that other surveys will be made of the remaining 6,700 bases. When and if and as they may become surplus to our needs, we will take them up with the persons properly concerned and then make announcements as to their closing.

We do have an increase in population. It is up 21 percent since Mr. Truman was President, so we must expect an increase in expenditures. We will have an increase in expenditures. The father that adds two or three extra children to his home and takes in a few of his nieces and nephews has to expect an increase in the food bill. When we have an increase in population, we are going to have an increase in the budget.

But we are going to keep that increase at the lowest possible level, first because we believe in frugality and thrift, and second because we hope that we won't send to Congress a budget that will require severe and drastic reductions by the Congress. We think that they are overworked now, and we don't want to add to it.

Question. Assuming that you are the Democratic nominee for President in 1964, will you agree to debate your opponent?

The PRESIDENT. I will make those decisions at the time I am the nominee, and in the light of the circumstances existing then. For the present I am not going to discuss any political matter.

Question. Mr. President, do you have any plans, sir, to meet with any other world leaders in the near future that you might tell us about, after your meeting with Chancellor Erhard?

The PRESIDENT. Yes. First of all, yesterday was a meeting with world leaders from 113 countries. I had met most of them before. A good many of them had visited my home in Texas before. Some of them were here just a few days ago for the funeral. But it was a very productive meeting. I think it was very helpful to all of us. I think it created better understanding. I am very grateful for the invitation extended to me, and for the hospitality shown.

I expect to meet with Mr. Erhard and hold the meeting he had planned to hold with Mr. Kennedy. I will meet him on the 28th and 29th of this month at my home. I expect to meet with the President of Italy in the early part of the new year, with the Prime Minister of Canada, with the President of Mexico, and with any other leaders where it is indicated a conference would be mutually desirable.

Question. Mr. President, Secretary Freeman, referring to your remarks earlier, said he would consider poverty as an important concern of yours in the administration. Is there any attempt going to be made to coordinate the various approaches to the national problem in the rural areas?

PRESIDENT. Any kind of poverty will be a concern of this administration, and a very serious concern of it. All of us know enough about it to not want the people to have to experience it any more than is absolutely necessary.

I have in the next room now the leaders of the farm organizations of this country. I have asked them to try to find areas of agreement and to give me their recommendations and be prepared to give them to the Senate committee. We have passed a cotton bill and there are some indications that the Senate may desire to act on a more comprehensive bill this year. I have asked these leaders, these experts in the field of farm legislation, not by commodity groups but by national organizations, to come in and give us their best thought. High on that agenda of priority is poverty legislation. They are two different things but they relate to each other—a general farm bill and specific poverty legislation for the lowest income group.

I spent some time this morning with the Farmers Union and various groups. I am very hopeful that there will come from these meetings that they are having a consensus which will be helpful to me and helpful to the committee that is considering it. I think while this Nation is very prosperous at the moment, not all of our people are fortunate enough to be in the upper income groups.

As I talk now, I am told by the Chairman of the Council of Economic Advisers that we are now passing the $600 billion gross national product rate. That is about as fine a Christmas present as could come to the people of this country. I am very happy about it. If we get the tax bill, we expect to increase that rate substantially. About every month that the tax bill is delayed, we lose about half a billion dollars in our economy.

We are very hopeful that we can help solve this poverty question and create additional incentives for our private enterprise system, and particularly our businessmen and our workers, by the early passage of the tax bill.

Senator BYRD has given me assurance that he is willing to have the bill voted on as soon as it can properly be voted on after amendments are offered. Although he does not agree to vote for the bill, he agrees that it can be voted upon at an early date.

What is really important in connection with our Government budget and our poverty program, with our whole economic picture, is the percentage of our gross national product, what our gross national product is first, and second, the percentage of that that we are actually spending for governmental purposes.

In the Roosevelt war years we spent as high as 46 percent of our gross national product for administrative budgets. During the transition period under Mr. Truman we spent 29 percent. In 1954, under Mr. Eisenhower, we spent 18.6 percent. We are hoping that we can come under that figure in our budget next year—in other words, that our budget expenditure as a percentage of our gross national product will be less for the fiscal year 1965 than it has been for any of these periods I mentioned.

Of course, a good deal of that depends on the size of the budget, whether we can keep it within bounds, and the size of the gross national product.

Question. Mr. President, do you expect to propose any new programs that will cost money in the fiscal year coming up?

The PRESIDENT. There will be new programs. We are not going to stand still in this country; we are going to move ahead. We are going to be enlightened. We are going to be forward looking. We hope that our private sector can make substantial contributions after the tax bill is passed in relieving our unemployment problem and increasing the number of jobs.

But we do expect to have programs that will deal with new situations and we do expect never to just be content to sit in our rocking chair and enjoy the status quo. We are a growing Nation, and we expect to keep moving if we are to lead our own people, as well as lead the world.

Question. Mr. President, do you expect to send an administration wheat bill to Congress?

The PRESIDENT. I have discussed that to the extent that I think your question is answered by saying that I have asked the farm leaders to make their recommendations on an agricultural bill, to make them to the Senate committee. I should like to get the benefit of their recommendations, talk to the Senators concerned, and then determine what, if any, kind of comprehensive agricultural legislation could come from this next session.

Question. Mr. President, have you reached a hard decision on changing the space program, including eliminating the Rover project?

The PRESIDENT. No.

Question. Mr. President, is this the type of press conference you intend to hold? Is that the decision? Or is this just an interim press conference?

The PRESIDENT. I would say that we are going to maintain an adequate flow of information to the press at all times in the best manner that we can. We will do what comes naturally. Maybe it will be a meeting of this kind today; maybe a televised meeting tomorrow, with maybe a coffee session the next day. We don't want to be too rigid. We always want to be flexible.

One thing, though, that we are determined to do is to let you know as much about what goes on in your house and in your Government as we possibly can, consistent only with the interests of our country and self-preservation of our country.

Question. Mr. President, are you planning to send some warships to the Indian Ocean, part of the 7th Fleet?

The PRESIDENT. I think I will have no comment to make there about the details of it. I have seen the statements that have been made about it, and the character of the operation. The contemplated plans that may be in the offing should come from the Defense Department. Mr. McNamara will no doubt be glad to give you that when he gets back.

I talked to the Secretary of State this morning. He told me that his meetings in NATO were very satisfactory and he thought quite helpful. Everyone was quite understanding and united against any external dangers.

I talked to the Secretary of Defense. I told him how grateful we were that he had been spared this accident which could have been very tragic. He told me he expected to be in Saigon a little later.

No controversies came up in the NATO meeting. The conference was a very satisfactory one. We expect to name very shortly an Ambassador to the OAS and a replacement for Mr. Mann. We have invitations out, but because of a health problem in one of the men's families, not with himself but some member of his family, he wanted to consult them before final acceptance. If you want to force someone to leak those names, I will give them to you myself very shortly.

Question. Mr. President, does this elevation of Mr. Mann indicate any increased urgency on the hemisphere problems?

The PRESIDENT. We know of no more important problems anywhere, any time, than the problems of our neighbors. We want to see our relations with them be the very best. We think Mr. Mann, who was the Assistant Secretary in the last administration, under Mr. Kennedy's administration, and who has served with great distinction as attaché, minister, and counselor at many of the embassies in this hemisphere, who has also served with distinction in this place before, is the best man to do it.

We also feel that we want to coordinate these programs, not eliminate them; to coordinate them and try to make them efficient in order that we can do the greatest good for the greatest number. We think that he is the man to do this job.

We would hope that we could operate with the same efficiency in all parts of the world. It does not mean a lessening of in-

terest in any region, but it does mean that we are excited about the possibilities of advancement in growth and prosperity in this hemisphere. We want it to be under the very ablest and most experienced leadership that we can find. We will take whatever steps it may be necessary to take in other parts of the world, when and if they are necessary.

Question. Mr. President, can you tell us about your Christmas plans yet?

The PRESIDENT. I asked Mrs. Johnson about those just before you came in. I cannot be positive about them because that will depend on the situation here in Washington. But if God is willing and Mrs. Johnson is willing, I plan to fly to my home either the night of the 22d, after I light the Christmas tree and appear at the Lincoln Memorial, or sometime the 23d. I hope to spend Christmas Eve with my sisters, my brother, my uncles, cousins, aunts, and my family. Immediately after Christmas I am going to relax a little. I might even—I don't want to keep my secrets from you people—I might even go hunting. I haven't had a chance to do that this year and I would like to go and spend a day out in the hills, communing with myself.

Some of my staff members will be coming right after Christmas and we will receive the Chancellor on the 28th and 29th. We will receive the Joint Chiefs of Staff on the 30th. We will be working on the state of the Union message during that period. Except for just the Christmas Eve and Christmas holidays, I expect to be quite busy.

Question. Mr. President, do you feel that you can live with the foreign aid bill that the Senate Appropriations Committee has come up with?

The PRESIDENT. That bill is pending in the Senate. I thought that the action they took yesterday was very constructive and very helpful.

I guess this ought to be off the record.

* * * * *

I do not like to start that, but since I lost my prestige the day before I am glad you gave it back to me yesterday. I have no doubt but what—

* * * * *

Question. On the record now, Mr. President?

The PRESIDENT. I am on the record.

I have no doubt but what the bill that is the product of both Houses of Congress will be a satisfactory bill, and while it may not give us all that we would like to see, and it may have some limitations that we think are undesirable, it is one that the best minds of both Houses have produced. I think it will be substantial enough to advance our national interest and, if you want to so put it, to live with.

Question. Mr. President, coming to the international situation, what do you think would be the most appropriate basis, not only for lessening tension between the United States and the Soviet Union but also for improving relations between those two great powers?

The PRESIDENT. I think the realization that there are 3 billion people in the world and that the No. 1 obligation of the President of this country and every citizen of every country is to learn how to live together. Failure in that mission could mean disaster for most of the world. My No. 1 priority, my No. 1 goal, my No. 1 objective, my No. 1 ambition, is to try to provide the leadership for my country with vision, tolerance, patience, and strength that will convince the rest of the world that we court no territory, we seek no satellites, that we are trying to live in peace and prosperity, and we would like for our fellow man everywhere to be able to do the same thing.

The PRESS (AL SPIVAK, UPI). Thank you, Mr. President.

[From the Washington (D.C.) Post, Dec. 19, 1963]

FRUGALITY AND RETRENCHMENT

(By Walter Lippmann)

In supporting Secretary McNamara's efforts to cut back military spending on superfluous installations, President Johnson is no doubt improving the prospects of his tax bill. But at the same time he has lifted the cover on a contradiction in our public life. The contradiction is between what we do and what is proper for public men to say out loud.

For the fact is that government—Federal, State, and local—buys about a fifth of the goods and services produced by the American economy. To cut back this public spending substantially would produce a strong reaction in employment and in business. Thus the two Republican Senators from New York reacted at once when they heard that seven installations in New York State might be closed down or their operations reduced.

Actually, the McNamara economies are a mere nibble at the immense costs of the Defense Establishment. The economy administered by the Pentagon is over two-thirds as large as the whole economy of Great Britain. Our military supply system is now some 17 times larger than the largest private enterprise, namely the gigantic General Motors complex. In seven States employment in defense industries is from 20 percent (Arizona) to 30 percent (Kansas) of total manufacturing employment.

In fact, then, the U.S. economy is no longer a plain private enterprise system. Under the impact of the Second World War and of the armaments of the cold war, the American economy has become an organic mixture of public money and private money, public and private management. Any serious reduction of public spending must, therefore, have far-reaching effects on the whole economy.

There are some who say they think that Government and big spending can be reduced by cutting down civilian expenditures while leaving alone or even increasing military expenditures. This is a device of politicians who are merely pandering to popular prejudices. There is only one way by which serious and substantial retrenchment can be made, and that is by a reduction of armaments.

Desirable, but comparatively minor, savings can be had by reducing the amount of some of the civilian subsidies. But the amount will be much too small to make itself felt in the burdens of the taxpayer.

The immediate military cutbacks we are hearing about are really concerned with waste. They will not reduce in any way the military power of the United States. They are directed only at useless expenditures, those which employ men and materials for no real military purpose. Although this kind of frugality will not affect the budget importantly, it will have a salutary effect nevertheless. For it is demoralizing to see public employees assigned to waste the public money.

But beyond the tidying up of waste, including a certain amount of lush and conspicuous extravagance, there is visible on the horizon the prospect of much more substantial retrenchment. I do not myself regard it as likely that we are anywhere near a general disarmament treaty. The fundamental issues of principle are stubborn and their reconciliation is probably too embarrassing to all participants. But while what is underway is not a negotiated agreement, there are parallel trends toward the stabilization and then toward the reduction of military spending.

These parallel trends are activated by a common realization, acknowledged in the test ban treaty, that neither side has anything to gain by spending hugely in pursuit of the will-o'-the-wisp of the absolute weapon. Once that point has been reached, there is a balance of power which, though relatively favorable to the United States, is tolerable to the Soviet Union and cannot be changed seriously by gigantic military expenditures. This is the origin of the present trend toward stabilization in both countries.

At the same time the Soviet Union has found that the burden of the existing armaments interferes with the vital needs of the people. It has been impossible to carry out the program for the modernization of Soviet agriculture by chemical means without cutting down the military budget. We can be reasonably certain that the Soviet arguments for a reduction of armaments are sincere. They spring from necessity.

The United States is under no comparable pressure, and it can be argued that we could exploit the Soviet predicament by accelerating rather than reducing the race of armaments. This is a conceivable line of policy, which can be held in reserve, if the Soviet Government took a provocative line, say in Latin America. But if it follows the present line, which appears to be one of gradual disengagement, the American people will, quite rightly, allow themselves to become conscious of the real burdens of our Defense Establishment. We are paying for our necessary, and invaluable, military power by a failure to provide the facilities of civilian living to keep pace with our needs.

Cutbacks in defense expenditures would cause less difficulty to the economy and encounter less political resistance if the economy were running at a good pace instead of sluggishly. When 5½ percent of the labor force is unemployed, and the national product is 35 or 40 billion less than it could be, the prospects of subtracting any part of the demand for goods and services is disconcerting. It is not too soon, therefore, to begin thinking about what we would do with the resources released by a cut in defense expenditures. We must prepare ourselves not only for the minor readjustments to the first McNamara cutbacks but also for the larger readjustments which will become necessary if and when we enter upon an actual reduction of armaments.

TRIBUTE TO FEDERAL BUREAU OF INVESTIGATION

Mr. DODD. Mr. President, yesterday I inserted an editorial from the Washington Daily News which pointed out the magnificent record of the Federal Bureau of Investigation in solving kidnaping cases as recently exemplified in the Sinatra case.

Today I received an editorial from the Hartford Courant of December 17 which also pays tribute to the FBI for its handling of this crime.

I quote the last sentence of the editorial:

Once again the FBI has earned the admiration and respect of the country.

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

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

THE AMERICAN CRIME

The Federal Bureau of Investigation has added to its fine record by the swift and businesslike manner in which it solved the kidnaping of Frank Sinatra, Jr. There was none of the hoopla that often surrounds the

activities of local police, as most recently in the Dallas murder of Lee Oswald. Instead the FBI moved in quietly and had little to say until it could announce arrest of the three men involved, and recovery of most of the ransom money.

Kidnaping, although an ancient crime, has in recent years been referred to in Europe as the American crime. The French called it that a few years ago when the child of a wealthy motor manufacturer was kidnaped. It was a dubious compliment, but it is a fact that kidnaping seems to be a peculiar product of the American culture.

Yet this dismal crime hardly ever pays off. The record is studded with case after case in which the criminal, despite every conceivable precaution, is finally convicted and the money recovered. Unfortunately a crime involving such a well-known character as Sinatra inevitably produced widespread publicity. Now authorities are fearful that they may be facing a rash of such cases.

The weakminded and the suggestible often react in this manner. But the best antidote to renewed popularity of kidnaping is the swift, sure way in which the latest felons were taken out of circulation. Theorists may speculate on the relationship between crime and punishment, but certainty of arrest and conviction is still the best antidote to crime. Once again the FBI has earned the admiration and respect of the country.

AFRICAN STUDENT RIOT IN MOSCOW

Mr. DODD. Mr. President, yesterday the press carried the sensational news that 500 African students had rioted under the very windows of the Kremlin in Moscow and less than 200 yards from Premier Khrushchev's office. According to the press, the students broke through police cordons, swarmed over and under a barrier of trucks that the police had thrown in their way, and stormed up to the massive doors of the Kremlin that had hastily been shut in their path.

More than one correspondent made the comment that this was perhaps the first truly spontaneous protest to be seen in Moscow since the revolution of 1917.

The riot has been described as a protest against the suspected slaying in Moscow of a 29-year-old medical student from Ghana. The Soviet authorities have thus far denied the report, claiming that the victim died of exposure after becoming intoxicated. The argument over whether or not the Ghanian student met a violent death should, however, not be permitted to obscure the basic causes which moved the 500 African students in the Soviet Union to congregate in Moscow and to storm the Kremlin for the purpose of stating their protest.

This was not a simple protest against the reported slaying of one African student, and it is important that the world should understand this. Such a demonstration would have been inconceivable had the African students in the Soviet Union not harbored the most profound discontent over the treatment they have endured in the so-called Socialist paradise. The fact is that over the past 4 years there have been a whole series of incidents involving African student protests, in the Soviet Union and in the other Communist countries.

In September 1960, the African Student Union in Moscow caused a major scandal when a group of them published in a western newspaper an open letter addressed to all African governments, complaining of the restrictions to which African students were subjected in the Soviet Union.

In February of this year, several hundred students from various African countries staged a mass exodus from Bulgaria after a series of violent clashes with the Bulgarian authorities. When the students organized a protest against their living conditions and against the racial discrimination which they encountered, the Bulgarian police broke up the protest meeting forcibly. Scores of students were injured in the clash and seven leaders of the All-African Students Union were arrested.

The Bulgarian Government announced at the time that Tatah Tawai, of Ghana, the leader of the students union, had been expelled from the country. But at this late date nothing is yet known of the whereabouts of Mr. Tawai.

In Vienna, some of the African students who had fled from Bulgaria told the world press that they have encountered racial discrimination almost daily in Sofia. They complained of the heavy-handed political indoctrination and antireligious propaganda to which they were subjected. They said that the Christians among them were even prevented from attending church. They further stated that they were frequently referred to as "black monkeys."

The Senate Subcommittee on Internal Security has in its files a voluminous documentation concerning the persecution and abuse of African students in the Soviet Union and other countries. In addition, the subcommittee has taken extensive oral statements from Mr. Kwadino Asafo Akwawuah, president of the Ghana Students Association of America, and Mr. Winfried Kwami Biddier, secretary of the association. I have asked that all of this information be brought together and published as soon as possible because I think it throws important light on the essential causes underlying the African student riots in Moscow.

The Communist propaganda apparatus has always painted the racial situation in the United States in the most lurid hues. The American Government and the American press have never minimized the problem of racial discrimination in the United States. On the contrary, they have dealt with it in a manner that conceals nothing and that shirks no responsibility. What the Communist propaganda apparatus ignores is that the American Government for decades now has used its authority to combat and reduce racial discrimination and to assure equality of treatment to our Negro citizens. This battle is far from won. But immense progress has already been recorded and I am confident that the years to come will witness even more dramatic progress, thanks to the leadership of the administration and to the action which, I am certain, Congress will soon take in the field of civil rights.

Herein lies the difference between racial discrimination in the United States and racial discrimination in the Communist countries. In our own country, the Government has thrown its full authority into the battle against racial discrimination; in the Soviet countries, in contradiction, the abuse, and discrimination, and humiliation to which thousands of African students have been subjected, have been government-instigated and government-directed. Herein, I submit, lies an important moral difference.

I hope that the Voice of America and the other instruments of the U.S. Information Agency will not seek to mute or minimize this story out of deference to Soviet sensitivities, but that they will, on the contrary, deal with this situation frankly and comprehensively for the information of the peoples of the world and especially of the Afro-Asian peoples who have recently won their freedom.

NOVEMBER 26, 1963

Mr. McCARTHY. Mr. President, a recent issue of the Nation contained a memorable poem by Wendell Berry on the death of President Kennedy.

I ask unanimous consent that the text of this poem, entitled "November 26, 1963," be printed in the RECORD, as I believe it is worthy of preservation along with the many other fine tributes to our late President.

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

NOVEMBER 26, 1963

(By Wendell Berry)

We know the winter earth upon the body of the young President, and the early dark falling;
We know the veins grown quiet in his temples and wrists, and his hands and eyes grown quiet;
We know his name written in the black capitals of his death, and the mourners standing in the rain, and the leaves falling;
We know his death's horses and drums; the roses, bells, candles, crosses; the faces hidden in veils;
We know the children who begin the youth of loss greater than they can dream now;
We know the nightlong coming of faces into the candlelight before his coffin, and their passing;
We know the mouth of the grave waiting, the bugle and rifles, the mourners turning away;
We know the young dead body carried in the earth into the first deep night of its absence;
We know our streets and days slowly opening into the time he is not alive, filling with our footsteps and voices;
We know ourselves, the bearers of the light of the earth he is given to, and of the light of all his lost days;
We know the long approach of summers toward the healed ground where he will be waiting, no longer the keeper of what he was.

A TRIBUTE TO TOM CONNALLY (1877–1963); A SENATOR OF THE UNITED STATES

Mr. YARBOROUGH. Mr. President, the death of Thomas Terry (Tom) Connally on October 28 of this year, who rose to national stature as a U.S. Senator from Texas, and who was an architect of the United Nations, marks the passing of a Texas titan. He was a man whose

intellect and personality marked him for greatness in youth. He fulfilled the the early promise with many notable achievements. Tom Connally was a giant here; he strode the Senate floor like a colossus.

Tom Connally, who was my personal friend, and who kindly and generously supported me in my campaigns, for which I will be eternally grateful, won my admiration when I was a young man listening to him speaking at the crossroads and villages of Texas. His name is a legend in Texas democracy.

He served as both a Representative and a Senator from Texas. Born in McLennan County, Tex., August 19, 1877, he was graduated from Baylor University in Waco in 1896 and obtained his law degree from the University of Texas in Austin in 1898. He was elected to the State house of representatives in 1901, where he served 4 years, and was prosecuting attorney of Falls County, Tex., from 1906–10.

He was elected as a Democrat to the 65th Congress in 1917 and to the five succeeding Congresses and was elected to the U.S. Senate in 1928. His service in the Senate extended from March 4, 1929 to January 3, 1953. He had decided not to seek renomination in 1952. Only two other men in the history of Texas served as long in this body.

Senator Connally became chairman of the Senate Foreign Relations Committee where he helped steer us successfully through treaty obligations in World War II. He helped create the United Nations and helped the United States assume a leading role in that organization.

One of America's great statesmen is gone.

His autobiographical work "My Name Is Tom Connally" is his own modest narrative of a great senatorial record. He was a great orator, honored, enjoyed and beloved in an age when great orators are scarce. His papers have come to rest in an appropriate place, the Library of Congress.

I ask unanimous consent that the following articles from newspapers be printed in the RECORD:

"Senator Connally's Death Brings Words of Mourning, Praise," Corpus Christi, Tex., Caller-Times, October 29, 1963.

"The Very Image of a Senator," New York Herald Tribune, October 29, 1963.

"Tawl Tawn," Time magazine, November 8, 1963.

"Connally Gave No Quarter in Senate Debate," Dallas Morning News, October 29, 1963.

"Connally Anecdotes Abound in the Senate," Dallas Morning News, October 29, 1963.

"Tom Connally, Elder Statesman," Houston Chronicle, October 29, 1963.

"Tom Connally," the Houston Post, October 29, 1963.

"Tom Connally Made Vital Contribution to World," the Waco News-Tribune, October 30, 1963.

"Connally Was Towering Figure in Critical Era," Abilene, Tex., Reporter News, October 29, 1963.

"Connally's Greatness Was Rooted in Heart of Texas," the Waco Times-Herald, October 31, 1963.

"Tom Connally of Texas," the Houston Press, October 29, 1963.

"Tom Connally," the Dallas Times Herald, October 29, 1963.

"U.S. Ex-Senator Tom Connally Dies," Houston Chronicle October 28, 1963.

"Connally Mourned in Capital," the Houston Post, October 30, 1963.

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

[From the Corpus Christi Caller, Oct. 29, 1963]

SENATOR CONNALLY'S DEATH BRINGS WORDS OF MOURNING, PRAISE

WASHINGTON.—President Kennedy expressed regret Monday at the death of former Senator Tom Connally of Texas and said he had "served his State and Nation with great distinction."

Vice President Lyndon Johnson, once Connally's junior colleague in the Senate from Texas, spoke of Connally as "one of the authentic giants of the century."

Others joined in the chorus of regret and praise.

Kennedy's statement said:

"I have learned today with great regret of the passing of former Senator Tom Connally of Texas. As chairman and ranking member of the Senate Foreign Relations Committee, Senator Connally played an influential part in guiding the legislation that did so much in the difficult days following World War II to redress the balances on the side of freedom—the Trumon doctrine, NATO, the Marshall plan, and point 4.

"During his 36 years on the Hill, the Senator served his State and Nation with great distinction. He played an important role in the creation of the United Nations, recognizing it as an organization that would contribute much to the cause of world peace for which he strove so diligently."

Johnson said:

"I was greatly saddened to learn of the passing of Tom Connally.

"Tom Connally was one of the authentic giants of the century and he was a man who was not only a part of history but who helped to shape it.

"As a debater, he had no equal. His flashing wit and his zest for controversy marked him as a formidable proponent of those policies in which he believed.

"He left his mark on the traditions of the Senate and on the traditions of his native Texas. His position in history is endearing and his stature was such that in a real sense he will never leave us."

Former President Harry S. Truman, who had served with Connally in the Senate, said at his home in Independence, Mo., he was "shocked and bewildered" to hear of the death.

"I hardly know what to say," Truman said. "This is such a shock I can't immediately find words to express my grief."

Governor Connally of Texas said in Dallas when told of the former Senator's death:

"I am profoundly saddened to hear of Senator Connally's death. He devoted himself to service to his State and Nation. Few men have had a more splendid record of unselfish service. His influence and wisdom were felt not only in his native State and Nation but throughout the world. All of Texas is saddened by the loss of such an outstanding citizen and statesman."

Senator RALPH YARBOROUGH, Democrat, of Texas, announced Connally's death to the Senate, calling the Texan "one of the greatest Senators."

In a separate statement, YARBOROUGH said:

"As chairman of the Senate Foreign Relations Committee he helped create the United Nations and was a leading influence in causing the United States to assume a leading role in the U.N.

"History and today's steady march toward a world at peace will prove him to be one of America's greatest Senators.

"Tom Connally looked like a Senator. He spoke like a Senator. He was a leader in the best traditions of our Government. This is the way I will remember Tom Connally."

Representative WRIGHT PATMAN, dean of the Texas congressional delegation, said:

"I think we lost one of America's greatest statesmen.

"He demonstrated great knowledge of our country and its traditions and systems.

"His work in the United Nations will go down in history as one of the greatest achievements that any individual in the United States ever performed in connection with world affairs."

Senator JOHN TOWER, Republican, of Texas, in Texas Monday, issued this statement through his Washington offce:

"I regret to hear of the passing of Senator Connally.

"He served our State and Nation long and honorably. His influence is with us and will be with us in the form of wise and cautious legislation. We have all benefited from his service here."

Senator CARL HAYDEN, Democrat, of Arizona, called Connally "one of the most forceful orators the Senate ever had."

Senate Democratic Leader MIKE MANSFIELD of Montana said Connally had made "enduring contributions" to the country.

Senator WAYNE MORSE, Democrat, of Oregon, said Connally was "a truly great American."

Representative W. R. POAGE, Democrat, of Texas, whose district Connally represented when he served in the House, said:

"The whole Nation has lost one of the great and last of the great statesmen of an earlier era. He and his associates builded very well for our country."

Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, chairman of the Senate Foreign Relations Committee, noted the long list of accomplishments Connally has recorded as head of that group.

"It was under his chairmanship that the Committee on Foreign Relations passed on the United Nations Charter, the North Atlantic Treaty, the Rio Treaty, the Japanese Peace Treaty, and many other measures which have shaped today's world," FULBRIGHT said.

Dean Acheson, former Secretary of State, said:

"Senator Connally skillfully cloaked a keen and shrewd mind and effective advocacy with an old-school senatorial appearance and manner, sparkling wit and, sometimes, florid oratory. But nothing could disguise one of the greatest advocates in the Senate's history.

"Behind the black clothes, the black bow string tie, the white curls over the collar, were irony and sarcasm. Under the irony and sarcasm were perception of the great issues to be decided in the war and postwar years, and strong, unfailing support for the measures to deal with them.

"Association with Tom Connally in great efforts was not always—or often—easy and tranquil; but it was stimulating, rewarding, and productive. He was among the great members of the postwar Senate; and one for whom I had deep respect and affection."

John M. Bailey, chairman of the Democratic National Committee, said:

"Senator Connally will be mourned by everyone in the Democratic Party.

"His stature in the Senate was a source of pride to Democrats, but we were even prouder of the fact that his service to his country, on the Foreign Relations Committee

transcended party lines and worked for the welfare and security of all free men everywhere."

[From the New York Herald Tribune]

TOM CONNALLY DIES AT 86—THE VERY IMAGE OF A SENATOR

WASHINGTON.—In looks and deportment, the old man was the image of what the tourists in the galleries thought a Senator should *look like:* The winged collar, the black bow tie, the broad-brimmed black felt hat, the flowing gray hair that had been jet black when he came to the Hill 36 years before.

In 1952, he was quitting. At the age of 74 years, 7 months, and 6 days, he was just plain tired of political strife. Some of the reporters covering the Hill had prevailed upon him to hold a press conference in the news-conference room of the Senate Foreign Relations Committee, which he headed.

The old man had agreed in a gruff sort of way, "not because I have anything new to say but because you deviled me into having it."

Yesterday Tom Connally died—11 years, 5 months, and 19 days later—of pneumonia in his home here, where he had lived since his retirement. He was 86.

He had told Texas friends about his decision not to seek reelection a few days before his press conference and letters and telephone calls had been pouring in from well-wishers—all the way from Texas, from Waco, some of them, from out around Hewitt where the old man, as a little boy, had stood beside the lank, gray-haired old man, his father, and he had heard the stranger tell about the 30-mile trip from Belton. The man had found the bodies of a dozen men, accused of stealing horses, propped against a stone-wall in the darkness, all dead, shot.

CHISHOLM TRAIL

"We had been traveling a lot today," said the stranger, telling how he hooked the mules right back to the wagon and hit out up the old Chisholm Trail, in its last days of use then.

Tom Connally, as chairman of the Senate Foreign Relations Committee and author of much of the World War II legislation, liked to harken back to the old days, to horse-thieves and the times in central Texas, out west of Waco, when he was a little boy.

To a few reporters—intimates—he talked about vigilantes and horsethieves while young men from the State Department sat nervously in his outer office, jiggling briefcases on their knees.

As he waited for 2 p.m., the hour set for the press conference 11 years ago, Senator Connally showed a reporter a letter he had just received from a colleague.

"Now, don't you go mentioning his name," he said. "It's personal. But isn't it a nice letter?" And there was a trace of moisture in his own eyes as he handed the letter over.

It was a nice letter. It was in fact, just about the nicest letter any member of Congress could hope to get after announcing his retirement.

Senator Connally put the letter back in his pocket, looked up at the clock, looked down at the reporters around the conference table, and ran his fingers through his white hair.

"All right, all right," he said, "It's 2 o'clock or about. I reckon we'd better start. So many of you wanted some sort of conference that here it is. Go ahead."

A young woman reporter started to ask a question.

Senator Connally, a stickler for rules and seniority, observed that some order of seniority should prevail here. He turned to a male reporter and said, "Suppose you start it, oldtimer."

The Senator talked about his feelings on politics, his hope for world peace, and his belief that at least a billion dollars could be cut from the $7 billion foreign aid bill. The talk brought affairs pretty well up to date, to about where they were the day the old former Senator died.

He didn't see any prospect of a war with Soviet Russia in 1952, provided the United States remained vigilant and continued to build its defenses and helped to maintain the defenses and close mutual relations with Western Europe.

"LONG TOM"

"Long Tom," as some of his friends called him, came to the Senate in 1928, defeating Earle B. Mayfield, the "Klan" Senator, who had been elected in 1922 in a popular flare-up of the old post-Civil War vigilante organization, the Ku Klux Klan. The "Klan" in 1928 was a dangerous piece of foolishness, "Long Tom" said, and Texas agreed at the polls.

He had served 12 years in the House, as Representative of the Texas 11th Congressional District, casting his vote for a declaration of war against Germany. Almost immediately he enlisted in the Army, becoming a capitain in the 22d Infantry Brigade, 11th Division. But a siege of influenza prevented him from sailing with his unit for France.

[From Time magazine, Nov. 8, 1963]

TAWL TAWM

They called him Tawl Tawm. His flamboyant Senate oratory could drown an opponent in sweet molasses or hogtie him in barbed wire. He smoked ten 15-cent cigars every day and wore his white hair so long that it crested in curls at the nape of his neck. He dressed in modified swallowtail suits—a dignified black from October to May, a delicate gray from May to September. He was Texas' longtime Senator Tom Connally. He died last week in Washington at 86, and, recollecting his career, many a Washingtonian shed a tear for what he thought was a more pungent era.

"It is murder." Raised on an east-central Texas cotton farm, Connally went off to college in 1891, heard a speech by the Democratic idol of the day, William Jennings Bryan, and was so smitten that he copied the great man's bow-tie-and-frock-coat dress, his stentorian manner of speech and his shaggy haircut. Connally got his law degree at the University of Texas, practiced in Marlin, Tex., and served two terms in the State legislature. In 1916 he won the congressional seat from Texas' 11th District.

His first vote in Congress was in favor of the U.S. declaration of war against Germany, and even though he was then 41, Connally figured he could not just sit by and send other men to war. He vacated his congressional seat, joined the Army as a captain, sat out the war in the United States, and went back to the House after the Armistice.

Connally was regularly reelected to the House until 1928, when he decided to try for the Senate. He mounted a campaign that put him foursquare against the Ku Klux Klan and in favor of Al Smith for President. Neither position was popular in Texas, but he won anyway. In the Senate, Connally backed most of Franklin Roosevelt's New Deal legislation, but he refused to vote for the National Industrial Recovery Act, battled fiercely against F.D.R.'s 1937 effort to pack the Supreme Court. In 1938, Connally led a filibuster to defeat an antilynching bill, claimed it violated States rights. "I am against the lynching of any man," he said. "It is murder. But I am also against lynching the Constitution of the United States."

Blood on the wall. Much of Connally's bluster was for show, and rarely was he deeply, genuinely angry. One such occasion was on Pearl Harbor day. Riding home from a White House meeting on the night of December 7, he was in tears of rage as he told a newsman: "That goddamned Frank Knox, that idiot, that fool. He told us only a week ago that the Navy was ready for anything. Now it's lying at the bottom of Pearl Harbor." As chairman of the Senate Foreign Relations Committee, and as an admirer of Woodrow Wilson and the League of Nations concept, Connally began working with Michigan's Republican Senator Arthur Vandenberg to line up Senate support for the United Nations. He helped draw up the U.N. Charter in San Francisco in 1945, made speech after speech on the Senate floor to assure its ratification.

At one point he arose to speak against Senators who proposed changes in the charter. Cried he: "They know that the League of Nations was slaughtered in this Chamber." Then he turned, pointed his glasses to the rear of the Senate and roared, "Can't you see the blood? There it is on the wall."

But Connally's internationalism had its limits, and his name is most prominently associated with the controversial Connally amendment, which restricts World Court jurisdiction over cases involving the United States to those that the administration decides are not within domestic jurisdiction.

Through the years, Connally's biting wit was feared by his Senate colleagues. He once snappishly advised New Hampshire Republican Styles Bridges that he should "approach these matters with an open mind instead of an open mouth." He left Ohio Republican Robert Taft speechless with shock by accusing him of "cravenly going around begging for a few dirty, filthy votes." He warned New Hampshire's Bible-quoting Republican Charles Tobey: "Don't you ever shake that lanky Yankee finger at me." He attacked Chiang Kai-shek for "stealing" U.S. aid money, advised that "the trouble with the generalissimo is that he doesn't do any generalissimoing." And once after a tough session with Soviet delegates at the U.N., he snapped, "They remind me of a difficult fellow I knew in Texas. He once told me, 'I'm going home and if my wife ain't got supper ready, I'll beat her up. And if she has got supper ready, I ain't gonna eat it.'"

The old man's strength began to falter in the early 1950's, and in 1952 he announced he would retire. Rather than leave Washington, Connally joined a law firm, used his office mostly for a spot to jaw with old pals about politics. He visited Capitol Hill regularly for a while. But more and more of his old friends disappeared. Feeble and ailing, he only went to the Capitol to have his hair cut—because the barbers there knew how to cut it just right. A couple of years ago, on one of his last trips to the Hill, he said sadly to an old newsman friend: "Reckon I won't be seeing you any more."

[From the Dallas Morning News, Oct. 29, 1963]

COLORFUL FIGHTER—CONNALLY GAVE NO QUARTER IN SENATE DEBATE

(By Arthur Edson)

WASHINGTON.—Tom Connally of Texas, who died Monday, was one of the most colorful, powerful, and razor-tongued Senators of them all.

Tall, courtly, with his bow tie and rumpled suits, his careless, flowing hair, his wit that could hit the mark as neatly as an ice-pick or as cruelly as a meat ax—Tom Connally seemed born for the Senate.

It's surprising to recall that he ever had any other life, that he had spent 10 years in the House, that he had served in both the Spanish-American war and World War I, although he never got overseas either time.

"I have been in more wars and done less fighting than any other American," he once said.

Connally saved his fighting for the Senate, where he spent 24 often tempestuous years,

usually attacking the Republicans, some times pouring it on his own Democratic party and occasionally spanking the "striped britches" State Department.

His oratorical flights are out of style, but even now, in cold print, they have an effectiveness lacking in the pallid words so often used today.

Here's Connally, arguing that this country must join the United Nations and seeking to shame those opposed:

"They know that the League of Nations was slaughtered here in this Chamber." At this point he pulled off his glasses and pointed dramatically to the rear of the Senate. "Can't you see the blood? There it is on the wall."

Or in defense of President Wilson:

"When the history of this Republic shall be written, Woodrow Wilson's titanic figure will tower above the puny pigmies who now bark at his memory as Pike's Peak towers above the fog of an Arkansas swamp."

Or, if you would sample his wit, there's Connally squashing a foe in debate:

"The Senator should approach these matters with an open mind instead of an open mouth."

Naturally Connally didn't spend all his time enlivening an otherwise dreary legislative scene.

When he retired, Lyndon B. Johnson, then a Senator but now Vice President, pointed out that Connally had fought for soil conservation, for rural electrification, for small business, and since he was from Texas, for the oil industry.

"A statesman who belongs to the ages," Johnson said of Connally, with the easy sweep befitting a Texan and a Senator.

Yet it's true that, although Connally protested that he hated formal diplomacy, he played a major role as this Nation moved steadily toward greater involvement in international affairs.

But only Connally could give this biting observation of a peace conference:

"The work is so tedious, irksome and annoying. You sit there all day going yah, yah, yah."

Connally had his shortcomings. Like most people who value wit, he often was unfair. And he sometimes dismissed other nations and minorities with an airiness that rankled.

But he brought to the Senate a vitality, a feeling that important issues are worth quarreling about, that politics, and democracy, so badly need.

His arguments with the late Senator Robert A. Taft of Ohio, the Republican leader, were classics in political knife-throwing.

Once, after Taft had made a criticizing speech in Texas, Connally replied on the Senate floor: "He is willing to subordinate his integrity and his truthfulness in order to grasp a few slimy voters * * * if three voters meet together and whisper something and he can hear them, he'll change (his opinions) again."

But Connally's humor could be infectious.

During a Senate argument Taft was making a point when Connally bellowed out:

"Don't shake your gory locks at me."

But Taft had no locks, gory or otherwise. Laughter rang through the Senate, and Taft's led all the rest.

[From the Dallas Morning News]

CONNALLY ANECDOTES ABOUND IN SENATE

WASHINGTON.—Senator Tom Connally, who died Monday, was famous in the Senate for his sharp tongue, his willingness to take on a political adversary, and the style of his oratory.

He left behind him a legacy of anecdotes—some of them true, some of them apocryphal.

But they are still told with relish whenever old Capitol hands gather. The memory of Tom Connally is not likely to die soon.

One of the most famous Connally stories concerned an appearance before the Senate Foreign Relations Committee, of which he was chairman, by Henry A. Wallace.

With Connally somewhat drowsing in the chair, Wallace recited his views on how to deal with Russia, concluding with the observation that unless the United States changed its attitude the U.S.S.R. might become "a cornered beast."

Connally roused from his drowsiness.

"Corned beef?" he exclaimed, "What's corned beef got to do with it?"

Wallace was virtually undone by the remark.

Another story related how Connally had gone into a small Texas town for a visit and found all the stores closed.

"Why are all the stores locked up?" he asked the village policeman.

"Governor Blank is in town," the officer replied.

"You mean," Connally demanded, "that he'd come in here and try to rob the town in broad daylight?"

In Washington, after his retirement from the Senate, Connally was introduced one day at a luncheon by a Texan who made some fun of the Senator's style of oratory.

Connally rose majestically and after a few polite words, paid tribute to the man who had introduced him, saying he had helped him in numerous campaigns. He recalled that the introducer had belonged to some famous youth organization.

"What was that organization?" Connally inquired.

"DeMolay," the Texan said, somewhat sheepishly.

"Demolay," Connally thundered. "That's it. And I want you to know he's been Demolaying ever since."

Among the apocryphal stories, was the one about the man who introduced himself to Connally as being from "UNESCO."

"Ah," Connally replied, "I'm always happy to meet anyone from your fine little country."

Connally's battles in the Senate were celebrated. Some of his more famous adversaries included Senators Robert A. Taft, Republican, of Ohio; Kenneth McKellar, Democrat, of Tennessee; and William Langer, Republican, of North Dakota.

He once accused Langer to his face of lying in the Judiciary Committee on how he voted on a Texas nominee for Federal judge. The uproar between the two loud, cigar-chewing Senators created an uproar in a Capitol corridor.

Connally was a great friend of Sir Winston Churchill and whenever the British statesman came to Washington they met for a lengthy session of business and storytelling.

But the Texan could be waspish about the British. After a visit of the late Foreign Secretary Ernest Bevin, seeking American money, Connally remarked:

"Whenever the British come over here we feel a little elevated, a little lifted up—a little lighter."

State Department officials soon learned that behind Connally's quips and sarcasm there was a broad understanding of international affairs.

But they weren't so sure that foreigners understood.

"Every so often," a State Department man once said, "our ambassadors have to run around to the foreign chancelleries and try to explain just what kind of a man Chairman Connally is—one of the most puzzling tasks in the history of diplomacy."

[From the Houston Chronicle, Oct. 29, 1963]

TOM CONNALLY, ELDER STATESMAN

Tom Connally, who died Monday, was one of the towering figures of the century in the United States Senate.

The noted Texan had been in retirement and in poor health for some years. He didn't seek reelection to the Senate in 1953, after 35 years' service in Congress.

Tom Connally was a Senator of the old school. More than anyone else in the Chamber he looked the part of a Senator and talked like a Senator. He was an eloquent speaker and a feared debater.

After serving in the Texas Legislature Connally was elected to Congress in 1916. His service in the House, which totaled 12 years, was interrupted during the First World War when he resigned and became a captain of infantry. He was elected to the Senate in 1928 and served continuously for 24 years. Thus his was one of the longer congressional careers in the Nation's history.

During his first years in the Senate Connally was most widely known for the Connally "hot oil" act which virtually dried up the production of oil in violation of State laws.

A staunch Democrat and in general a party regular, Connally defied the tremendous power of President Franklin D. Roosevelt more than once. He voted against the National Recovery Act—later found unconstitutional as he asserted it was—and he fought Roosevelt's Supreme Court "packing" measure bitterly.

In 1914 he became chairman of the Senate Foreign Relations Committee. It was a crucial time, only 4 months before this Nation entered the Second World War. It was in this powerful position that Connally exerted his greatest influence on affairs. He was a great chairman of this most important committee until he retired from Congress, except for the two Republican years 1947 and 1948.

And it was his service in this position that causes the influence of Tom Connally to live on after his death. He was a strong exponent of international cooperation and vigorously supported the United Nations. He also is the author of the Connally reservation which limits the jurisdiction of the World Court over cases to which this Nation is a party. When efforts were made to repeal this reservation Connally, then in retirement, spoke up vigorously in favor of its retention.

[From the Houston Post, Oct. 29, 1963]

TOM CONNALLY

Former Senator Tom Connally, who died in Washington Monday, served Texas and the Nation long and ably. As chairman of the Senate Foreign Relations Committee during and after World War II, he left an imperishable mark on the pages of world history.

He sometimes would quip that "a statesman is a dead politician," but long before his retirement from the Senate in 1952, the name Connally and the title of statesman were used together freely in the press of many nations.

During his 36 years in Washington, as a Member of the House and as a Member of the Senate, he became a figure of international renown, but he never forgot that he had his roots in Marlin, Tex. He fought as strenuously for the welfare of this State and and for his constituents as he did to make a better and peaceful world.

Anyone who ever watched Connally in action on the floor of the Senate almost certainly realized he was watching an expert. To begin with, Connally looked like a Senator. The long, flowing silver hair, the impressive face, the black suit, the boiled shirt with gold studs and the black string necktie gave the impression that this was a man born to the role in which fate had cast him. The Connally oratory was usually called "old school," but actually it was unique. He used the English language and a wide range of tones of voice as a master organist uses his keyboard. A Connally speech could pack the Senate galleries.

After serving in the Texas Legislature and as prosecuting attorney for Falls County,

Connally was elected to Congress in 1916, and cast his first vote for United States entry in World War I. He then left Congress to joint the Army.

He returned to the House after the war, and in 1928 was elected to the Senate. In time, he became chairman of the Senate Foreign Relations Committee.

Probably Connally's greatest contribution as a statesman was his joining with his Republican opposite, Senator Arthur H. Vandenberg, of Michigan, to form the bipartisan foreign policy that united the Nation as it took the leadership of the free world. The two agreed that political partisanship should end at the water's edge, and that is the way it was.

The record of Connally's legislative achievements is too long to recite. Not every cause he sponsored was overwhelmingly popular, but he fought for the right as he saw it.

Perhaps the high point of his long and distinguished career came when he won Senate approval of the United Nations Charter, with but two dissenting votes. Connally had been second man on the U.S. delegation to the San Francisco Conference at which it was drafted.

It probably is safe to say that Tom Connally's views will be quoted as long as American history is read.

[From the Waco News-Tribune, Oct. 30, 1963]

TOM CONNALLY MADE VITAL CONTRIBUTION TO WORLD

It was the natural thing to say, when former Senator Tom Connally died Monday in Washington, that his death marked the end of an era. For indeed it did. Tom Connally and the late Pat Neff were the most notable products of an era of deliberate, poised, oratorical political practice born of a study of the classics, endless hours of practice in debate and a tempo of living that allowed space and time between excitements.

Tom Connally represented Texas in both Houses of the Congress in an effective and distinguished fashion. He remembered where he originated, and the people whose votes elevated him to international usefulness. He did this not merely to stay in office but because he genuinely loved the people and the land here in the heart of the State.

Tom Connally represented qualities of character, too, that are worth recalling, for in some parts of the country these qualities of tolerance, respect for an adversary, and gentlemanly behavior currently are missing in the conduct of certain public figures and their adherents.

Like most Texas Congressmen, Tom Connally worked at his responsibilities. He learned all his life. His classical background gave him a perspective for learning and for appreciating the complexities not only of a giant of a nation but of a world filled with conflict and confusion.

The art of government was his lifelong concern and he became an artist in advocating the blend of force and persuasion by which this Nation governs itself—the force of the common good and the persuasion of individual intellect and enterprise.

Senator Connally achieved a lasting place in the history books for his work on behalf of founding the United Nations Organization as a climax to his illustrious career on the Senate Foreign Relations Committee. His support of intelligent efforts at international cooperation, running from Woodrow Wilson's administration through that of Harry S. Truman, was a stanch one in the face of repeated disappointments and frustrations. Senator Connally held true to his principles, defended them effectively whenever they were challenged.

The era that ended with the death of Tom Connally was an era that brought the United States of America to its position of world power. At any time along that road, lesser men would have thrown away our destiny in a welter of petty and ignorant controversies. Thanks to the leadership of many great Americans, of whom Tom Connally was not the least, the Nation avoided this dissipation of its strength. The thing to remember about Tom Connally is not his colorful dress and speech, or his masterful political techniques, but his breadth of vision and his courage when it counted. No nation ever has an oversupply of such character.

[From the Abilene (Tex.) Reporter-News, Oct. 29, 1963]

CONNALLY WAS TOWERING FIGURE IN CRITICAL ERA

Some men spend time in Congress.

Others become the architects of great decisions made there, and their deeds go into the history books, with the fruits of their services enduring after them.

Tom Connally of Texas was one of the latter. Now he is dead at 86 in Washington, 11 years after closing out a 36-year career in Congress which made him an international statesman.

Born in McLennan County, Connally was a country lawyer at Marlin and a prosecuting attorney before he was elected to the U.S. House of Representatives. He took his seat in Congress in March 1917, 1 month before the United States declared war on Germany. Already a veteran of the Spanish-American War, he also served in the Army in World War I.

In 1928 he won election to the U.S. Senate where he served until his retirement at the end of the session in 1952. Critical years and historic decisions in which he filled guiding roles marked the intervening time.

Senator Connally became chairman of the Senate Foreign Relations Committee in 1941, 4 months before Pearl Harbor, the most important era in the Nation's history to date to be in that position.

The treaties ending World War II, the founding of the United Nations, the Marshall plan were among the great issues that Senator Connally and his committee acted upon.

At the peak of his power and career Connally was the only Senator with a place on the Senate's big-three committees: foreign relations, finance, and judiciary.

At this time, on the eve of the Dumbarton Oaks postwar peace conference in 1944, the Associated Press said of him:

"He's just about the last of the ilk of Clay and Calhoun. He needs neither text nor microphone. Words roll over his tongue like rare wine."

He was known for his superb oratory, his rapier-like wit and his distinguished appearance and bearing. In 1943 the Office of War Information in a publication to be distributed in foreign countries described him as "a man who looks exactly as a Senator would be expected to look."

Connally will be remembered here for numerous speaking engagements and for having helped locate the present Dyess Air Force Base at Abilene.

Tom Connally was a great man who was in the right place in a troubled time. Texas was proud to have claimed him.

[From the Waco Times-Herald, Oct. 31, 1963]

CONNALLY'S GREATNESS WAS ROOTED IN HEART OF TEXAS

Central Texas, which has given over the past century many distinguished leaders to the State, the Nation and the world, buried one of the most distinguished of them all yesterday at Marlin.

Tom Connally rose in the classic pattern from a farm to international eminence as a U.S. Congressman and Senator. His roots always were firmly in central Texas soil wherever and whenever he went to the councils that guided the rise of this Nation to a world power and tried to guide a contrary world into the paths of peace.

With his hair falling in an upward curl over the back of his collar, in which was unfailingly tied a black string tie, and with his frock coat and black hat, Connally was a figure which attracted wide attention on the national scene. He was also the last of the old ante bellum type of politician, noted for its ability to be heard extemporaneously long before the microphone had been invented.

Connally helped to bring Texas into wide repute. He loved his State and his Nation. He loved the South, and sometimes got cantankerous when he thought Texas or the South was the target of captious criticism.

Connally was prominent, as chairman of the Senate Foreign Relations Committee, in the drafting of the United Nations Charter in 1945 in San Francisco, and in bringing this country into that organization. He was author of the Connally "hot oil" law aimed at cutting down oil production and illicit abuse. It provided penalties for interstate oil shipments of oil that had been produced in violation of proration and conservation laws of Texas.

He was famed for his authorship of the "Connally amendment" to a resolution making this country a member of the World Court, with its stipulation that the Court shall not have jurisdiction over matters deemed of a domestic nature. The amendment provided that the United States shall be its own judge of what constituted a domestic issue.

Connally, among other activities as Senator, served as a U.S. delegate taking part in the ceremonies by which the Philippine Islands received their independence. Previously he has sponsored the action in the Senate which gave the Philippines its independence.

Connally, the man and his record, goes down in the annals of Texas' historic great. There are not many like him left.

[From the Houston Press, Oct. 29, 1963]

TOM CONNALLY OF TEXAS

"Long Tawm," he was called in Texas drawl.

Maybe because of his six-foot plus * * * his white mane of hair combed high and curling up * * * the high-crowned black hats he usually wore * * * his cutaway coats that flapped down to his knees and drew out his already generous proportions.

By whatever name, Tom Connally of Texas was for more than two decades one of America's most powerful men.

He served in the U.S. Congress for 36 years, 12 of them in the House representing the central Texas district of his hometown, Marlin, then 24 years in the Senate. For 10 of his senatorial years, he was chairman of the powerful Foreign Relations Committee.

He had split with President Roosevelt over enlarging ("packing") the U.S. Supreme Court in FDR's second term. When War II broke, however, he became the President's strong right legislative arm.

One of his major contributions to his home State was the "Connally Hot Oil Act." This Federal law finally restored peace and order to Texas' vital oil industry after the chaotic first years of the giant east Texas oilfield by putting Uncle Sam on guard at State lines to prevent interstate shipment of "hot oil," or oil produced in defiance of State regulations.

Tom Connally's wrath, simulated or not, was a thing to see. His repertory for spellbinding was complete with invective, anecdote and simile—always good for a crowded gallery.

When Supreme Court Justice William O. Douglas came home from somewhere in 1951 and advocated recognizing the bandit government of Red China, the Senator flatly told the Senate the Justice "ought to stay home

instead of roaming around the world and Asia making fool statements."

In an argument with the late Senator Taft of Ohio, he accused his adversary of "cravenly going around begging a few dirty, filthy votes."

And he once told the late Senator Styles Bridges he should "approach these matters with an open mind instead of an open mouth."

Although he freely admitted to a good bit of windmaking himself, Senator Connally once lectured the Senate on its favorite device by saying:

"Draco wrote his laws in blood; the Senate writes its laws in the wind."

Tom Connally died in Washington Monday. He was 86.

Ten years have passed since he retired from the U.S. Senate. The days of his senatorial glory have dimmed somewhat in the minds even of his contemporary observers.

Tom Connally generally is said to have been the last U.S. Senator who looked like—and orated like—a U.S. Senator, meaning of course those of the early days. He was colorful. He also was effective and gave Texas many a boost toward national prominence.

In changing times, "Long Tawm" served both his Nation and his State well, including active duty both in World War I and the Spanish-American War.

[From the Dallas Times Herald, Oct. 29, 1963]

TOM CONNALLY

The death of former Senator Tom Connally put an end to his 86-year life, but as a nation we will continue to feel his presence, for the long-haired political symbol from Texas remains in history, one of the shapers of our present age.

Tom Connally was of a political generation long since gone from Capitol Hill. His very person spoke of the classical orator and the professional breed of man which, at one time, guided governmental affairs of the Nation from city hall level to the White House.

But Tom Connally managed to break this classic mold. And where his fellow orators contributed little to modern America except high-flown phrases, the Texan became an internationalist.

Human sympathy was the hallmark of Tom Connally, from his beginning in office to the time when illness denied the Nation his mind and talents. Because he saw the United States as one nation among a world of nations, he was a founding father for the United Nations Organization. Almost as much as Franklin D. Roosevelt, he was the American instrumental in shaping our role in that gathering, and in the immediate postwar world his role became even stronger.

But Tom Connally was more than a dedicated internationalist. His political span covered too many eras, too many incidents, to be summed with one event. He became the sign of a whole period, of a changing world stage with changing roles for every nation and political philosophy.

Tom Connally in death loses none of this identification with the Nation's affairs of the time he lived.

[From the Houston (Tex.) Chronicle, Oct. 28, 1963]

U.S. EX-SENATOR TOM CONNALLY DIES—POWERFUL FIGURE IN WAR DAYS

Former U.S. Senator Tom Connally, 86, one of the giants of Texas politics and a man who stood in the highest councils of the Nation's Government, died of pneumonia today at his home in Washington.

As chairman of the powerful Foreign Relations Committee of the Senate, Connally had a dominant role in formulation of foreign policy during the Roosevelt and Truman administrations.

President Kennedy mourned the death of Connally, recalling his influential part in the Nation's foreign policy. The President said he learned of Connally's death "with deep regret."

Only the late Morris Sheppard among Texans held a Senate post longer than Connally. Connally served for 24 years, Sheppard for 28. Charles A. Culberson equaled Connally's record.

Connally attended the San Francisco conference where the Charter of the United Nations was formed and later obtained Senate approval of the charter with just two dissenting votes.

He was the author of a phrase, in an amendment, restricting the participation of the United States in the World Court. The phrase in the amendment, "as determined by the United States," permits this country to determine which cases involving the Nation can be decided by the World Court. President Kennedy and Eisenhower have attacked this restriction and urged its repeal.

AGAINST NRA

Although he supported the Roosevelt administration in many of its important battles, Connally voted against the National Recovery Administration Act (NRA) in the early days of the New Deal, and was bitterly outspoken against President Roosevelt's attempt to reorganize the U.S. Supreme Court in 1937.

He was the archtype of the U.S. Senator. A striking figure of more than 6 feet, he had a flowing silver mane and always wore a black bow tie. Sweeping gestures embellished the oratory for which he was famous.

Connally was born in McLennon County, Tex., August 19, 1877, the son of Jones and Mary Terry Connally. He was educated at Baylor University and the University of Texas School of Law.

He married Louise Clarkson of Marlin in 1904. They had one son, Ben Connally, who is a U.S. district court judge in Houston. Judge Connally was on his way to his father's bedside when the elder Connally died. The former Senator is no kin to Governor John Connally.

Mrs. Connally died in 1935. In 1942, after the death of Senator Morris Sheppard, Connally married Sheppard's widow, who survives him.

Besides his wife and son, Connally is survived by a sister, Mrs. Sparks McKay of Tyler.

Funeral arrangements are incomplete. Burial will be in Marlin.

SAW WAR SERVICE

Connally was elected to the Senate in 1928 after serving 12 years in the House, service that was interrupted by Army service during World War I. He had resigned from the House to become a captain in the 22d Infantry Brigade of the 11th Division. He became ill and never got to France and the fighting, a circumstance he always deplored.

He served in the Senate until 1953, when he stepped down. Price Daniel, who was later to become Texas Governor, filled his place.

In the processes of the Senate's seniority system, the Texas Democrat came to the chairmanship of the Foreign Relations Committee in the critical summer of 1941—4 months before the Japanese surprise attack on Pearl Harbor.

Except for a 2-year break from 1947 to 1949, when Republicans controlled Congress, Connally was chairman of the Foreign Relations Committee from 1941 until he retired from the Senate.

SPOKE FOR U.N.

During his chairmanship, Senator Connally gave heavily of his time to promoting President Roosevelt's dream of a world organization.

He urged it in the Senate and in speeches across the Nation.

In November 1944, Connally said: "If we are to secure the preservation of world peace—and that includes our peace—we must be willing to pay the price. That price is our cooperation with other nations of a similar mind."

In an impassioned speech before the Senate, Connally urged ratification of the U.N. Charter in words that became famous: "They know that the League of Nations was slaughtered in this chamber," he shouted, taking off his glasses and waving them in the air. "Can't you see the blood—there it is on the wall?" he said, pointing to the walls of the chamber.

Before he was elected to Congress, Connally was a lawyer in Marlin. Former Vice President John Nance Garner, a fellow Texan, often was credited with setting Connally's foot on the political path.

The first congressional session Connally attended after his election to the House was a special one which President Wilson called in April 1917, to act on his proposed declaration of war against Germany.

Garner, influential in House affairs, had the young Connally appointed to the Foreign Affairs Committee, which was pondering the war resolution. Connally afterward said he prayed long before casting a vote for war.

An ardent sports fan, he found relaxation from congressional worries by attending football and baseball games. In earlier years, he occasionally played golf. He was a 33d degree Mason. A favorite at Washington social gatherings, he was fond of dancing.

He loved to invite friends in for breakfast, his favorite meal. He served them steaks, chops, ham and eggs. He ate more for breakfast than the average man does for dinner.

FATHERED HOT OIL ACT

Despite his long years in Congress, few major pieces of domestic legislation bore his name. One of his most important early measures was the Connally "hot oil" act which prohibited interstate transportation of oil produced in violation of State laws.

During the war, he sponsored with Representative HOWARD SMITH, Democrat, of Virginia, the Connally-Smith Act designed to curb strikes.

He led a filibuster in 1938 against an antilynching bill, commanding a corps of Southern Senators who successfully battled the measure.

"I am against lynching," he said. "It is murder. But I am also opposed to lynching the Constitution of the United States."

Answering a Republican Senator who charged on the Senate floor in 1936 that Woodrow Wilson had falsified the World War I records, Connally thundered:

"When the history of this Republic shall be written, Woodrow Wilson's titanic figure will tower above the puny pigmies who now bark at his memory as Pike's Peak towers above the fog of an Arkansas swamp."

NEEDED NO TEXT

Once chiding his colleagues, he said: "Draco wrote his laws in blood, the Senate writes its laws in wind."

He needed neither text nor microphone. Words rolled off his tongue with the greatest of ease. When he felt like it, he cast tact to the winds as he did the time he told a State Department official to "take your treaty out of here before it gets kicked in the pants."

Then there was the occasion when he told a colleague: "The Senate should approach these matters with an open mind instead of an open mouth."

[From the Houston (Tex.) Post]

CONNALLY MOURNED IN CAPITAL

(By Felton West)

WASHINGTON.—Washington mourned the passing Monday of one of the architects of the post-World War II world—and one of the liveliest wits the capital ever knew.

Tom Connally—a lot of his contemporaries called him "Long Tawm of Texas"—died in his Washington home of pneumonia early Monday at the age of 86.

It was almost 11 years ago that Connally retired from the U.S. Senate, but the memories of his contributions to the law and world peace live on.

So do recollections of his biting tongue, his white mane, his appearance that was the way a Senator ought to look.

The House of Representatives, where he once served, set aside an hour Tuesday for tributes to him.

Connally served 12 years in the House of Representatives, then 24 in the Senate.

In 1952, the year Texas Gov. Allan Shivers and Attorney General Price Daniel rallied Texas Democrats behind Republican presidential nominee Dwight D. Eisenhower in opposition to Democratic presidential nominee Adlai Stevenson's position on the Texas tidelands, Connally acknowledged he would really have to fight for reelection.

He said he could win again if he made a vigorous campaign. But he was 74. "I don't think it's worth the price," he said. So he retired and Daniel was elected to succeed him.

Since then, Connally has lived quietly in Washington with his wife.

In 1954 Connally published an autobiography, "My Name Is Tom Connally." For a time starting in 1955 he came out of retirement to practice law here with a long-time Washington friend, Mastin White.

He occasionally visited Capitol Hill to see old acquaintances. But for the past several years he had been in ill health.

Connally became chairman of the Senate Foreign Relations Committee in July, 1941. He was chairman until his retirement at the beginning of 1953, except in 1947–48, when the Republicans controlled the Senate.

He introduced the resolutions in 1941 declaring war on Germany, Japan, and Italy.

He and the late Senator Arthur H. Vandenberg, Republican, of Michigan, were the congressional leaders in nonpartisan foreign policy during and after the war. He played a guiding role in the formation of the United Nations and getting the United States made a party to it.

As chairman of the Foreign Relations Committee, Connally guided through the Senate the treaty of Rio de Janeiro, the NATO Treaty and the Japanese Peace Treaty, and was a congressional leader in the establishment of the Marshall Plan and other foreign recovery efforts after World War II.

There are at least two other monuments to his legislative career.

One is the Connally Hot Oil Act, which made it a Federal offense to market petroleum in violation of State conservation statutes and regulations.

The other is what has come to be known as the "Connally amendment"—a provision allowing the United States to reserve judgment on what disputes involving it will be submitted to the International Court of Justice at the Hague.

Before coming to Congress in 1917, Connally served two terms as a member of the Texas Legislature and several years as prosecuting attorney of Falls County.

IMPORTS OF RESIDUAL FUEL

Mr. WILLIAMS of New Jersey. Mr. President, I would like to add my protest, over the unnecessary and harmful restrictions on the importation of residual fuel oil, to those so ably expressed yesterday by my colleagues from New York, Mr. KEATING and Mr. JAVITS.

Residual fuel is actually a heavy fuel oil obtained from the refining of crude oil. Its very name derives from the fact that it is the residue left after extracting as much as possible of the more valuable products from the barrel of crude oil.

The highly industrialized eastern seaboard of the United States uses a very large amount of this residual fuel in its manufacturing plants, in its electrical generating stations and in the heating of its homes and offices.

The quantity of domestically produced residual fuel oil has been steadily reduced in recent years. The reason is simply that the price which it commands is so much less than that of the lighter petroleum products like gasoline, kerosene, and home-heating oil that the refiner, as a matter of simple economics, makes as little of it as he possibly can.

Consequently, while the east coast consumption of this heavy or so-called residual fuel oil has been growing at a moderate rate, the consumer has had to depend more and more on imports for his supply, almost all of which come from the high residual fuel content crudes produced in Venezuela.

When crude oil was placed under mandatory import restrictions in 1959, imports of residual fuel oil were likewise restricted. It is not clear to me why import restrictions, which were designed purely as a national security measure to insure a healthy domestic producing industry, should be placed on a product when there had been no finding that the national security required the action. Indeed, last February the Office of Emergency Planning, following a special investigation of this matter, determined that the national security factor does not apply to the case of residual fuel.

Nevertheless, the import restriction system imposed on this product in 1959 still continues to remain in force and to create hardships for the thousands of consumers of residual oil. By determining the total amount of permissible imports and their allocation among approximately 50 importers on the east coast, the system tends not only to create supply shortages but to force up the cost of a commodity which is essential to American industry and homes.

It seems absurd to me in the first place to restrict the imports of a product of which there is not a sufficient domestic supply. But the attempt to fairly divide an arbitrarily determined quota among all those deemed entitled to share in it has proved impossible and has resulted in gross inequities.

The upshot is a rigidity in the supply system which serves mainly to stifle competition and with it the right of every consumer to purchase what he wants, when and where he wants it at a reasonable price.

The situation on the east coast today is such that even the Defense Department has had great difficulty in securing its supplies and then only at enhanced cost to the taxpayer. Some of the largest electric utilities in the New York-New Jersey metropolitan area with all the unpredictable severity of the worst part of the winter still ahead of them, are already facing a shortage of the oil essential to the life of the communities dependent on them.

Mr. President, in view of the problems that these restrictions on imports of residual fuel have created and since they have no foundation either in commonsense or in the essential element of national security, I ask that this shackle be forthwith stricken from our economy by returning the supply and demand of this vital commodity solely to the free play of the marketplace.

TRIBUTE TO THEO SNEED

Mr. GRUENING. Mr. President, during World War II when the Alaska Highway was literally carved out of wilderness, thereby linking the lower 48 States with the then territory of Alaska and joining the peoples of the northwestern North American continent, I had the privilege of first meeting Theo Sneed. The then Captain Sneed spent 2 years in Canada and Alaska as a construction engineer on the highway. I, at that time, was Governor of Alaska.

When I came to the Senate in 1959 and was assigned to the Public Works Committee, I had the pleasure of renewing my friendship with Theo Sneed. I learned that in 1946 when the Senate Public Works Committee was created that he had been "borrowed" from the Corps of Engineers to serve as a staff member.

Earlier this week the able chairman of the Senate Public Works Committee, the senior Senator from Michigan [Mr. MCNAMARA], announced that Colonel Sneed was retiring. Many members of this body joined my distinguished chairman in expressing regret that Theo Sneed had decided to retire. It was not possible for me to be on the floor at that time.

I had the pleasure of traveling with Theo Sneed when the Senate Interior and Insular Affairs Committee and Public Works Committee traveled to the Soviet Union in September and October of 1959 to inspect the river development of the Union of Soviet Socialist Republics in order to compare that nation's development with our own. His contribution to that study was, as usual, outstanding, and I commend the reading of Senate Document No. 71 of the 2d session of the 86th Congress to persons who have not had the opportunity.

Theo Sneed, when commenting on "River Development in the U.S.S.R." pointed out why the water resources of the Soviet Union are being given such high priority in the long-range planning of the economy of that nation.

During the course of our inspection tour we saw impressive evidence that such was the case. Enormous dams, larger than any in the United States, were being constructed. Two then surpassed Grand Coulee. They were being constructed on the Volga River, one at Kuibyshev and another at Volgagrad.

For example, as I said on the floor of the Senate on August 8, 1960:

As a member of a special subcommittee, authorized jointly by the Committee on Public Works and the Committee on Interior and Insular Affairs, to make a study of Russion hydroelectric development, we saw these two dams in the fall of 1959, as well as one of about the same capacity as the Rampart Dam, nearing completion on the Angara River at Bratsk, in Siberia. A still larger

dam, with an installed capacity of 5 million kilowatts, was under construction at Krasnoyarsk, on the Yenesey River.

In May of 1961 Colonel Sneed was one of the persons who made an on-site inspection of the Rampart damsite proposed in Alaska. Again, as usual, his contribution to that investigation was outstanding.

The Rampart site is, unquestionably, the greatest hydroelectric power resource in the free world. Rampart could produce nearly 5 million kilowatts of electric energy—more than 2½ times the power produced at Grand Coulee and more than at all the installations of the TVA. Rampart is the only site now known on the North American continent where could be produced the same quantities of power now made available in the Soviet Union at two giant dams, the Russians have developed, at Bratsk and Krasnyarsk in Siberia—one of which is now producing and the other of which is close to production. Rampart power will cost less than any other in America—2 to 3 mills per kilowatt at tidewater locations.

The meaning of this to America is clear. The great power that Rampart will produce will be needed for the defense of our Nation, as will all the natural resources this Nation possesses.

Whenever I have needed specific information about public works projects in this country or in other parts of the world, I have found that Colonel Sneed either had the answer or could obtain the statistics quickly.

The work of staff members on committees all too often goes unnoticed. Therefore, I am pleased to have this opportunity to say a few words about Theo Sneed specifically and his colleagues generally.

I suggest that Ted Sneed now put to use his knowledge in a different way. It occurs to me, Mr. President, that he could, if asked, be a valued public works adviser to President Lyndon Johnson.

AN EMPHASIS REPORT ON POPULATION AND FOREIGN AID

Mr. GRUENING. Mr. President, on December 9 the National Broadcasting Co. in its "Emphasis" report on the population problem observed that politicians see improvements in the underdeveloped countries "literally eaten up by additional people."

This statement and others contained in the report given by Mr. Robert McCormick of NBC News illustrates comments I have made previously concerning the foreign aid authorization and appropriation bills. On October 10 I suggested:

> It does us little, if any, good to provide economic technical assistance to nations which show no concern for their population explosion. Granted, we can help a developing nation grow more food by teaching its citizens better use of their land. But when such new skills simply keep that nation's burgeoning population merely alive, and no more, that part of the world will have taken a step backward—with our assistance.

I ask unanimous consent that the full text of the Emphasis report be printed in the RECORD at this time.

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

ROBERT MCCORMICK, NBC NEWS, WASHINGTON, WITH "EMPHASIS U.S.A."

Congress probably would face up to one of the most serious problems the world faces today—the population problem—if it knew just how to go about it.

Congress—and the rest of the Federal Government—is giving a good bit of thought these days, to the problem that has come to be known as the "population explosion." But for once, Congress is trying to attract as little attention, in its activities, as it can.

The population problem is relatively new—is the direct result of advances in medicine, public health, and sanitation procedures which dramatically reduced the world's death rate. The Population Bulletin, published by the Population Reference Bureau, summarizes the speed with which the problem is growing; it says the world had about a quarter of a billion people on it, at the time of Christ; 1,600 years went by, before this figure was doubled; but it was doubled again, in only 200 years—and doubled again in only 80 years. And it will double a fourth time, in just 38 years. You probably have all heard these increases carried to extremes—showing that in a relatively few hundred years, at the rate we are going, there will be just 1 square foot of space available for each living person, and so on.

But politicians see more immediate crises developing. In foreign aid, for example, they watch our money being poured into so-called underdeveloped countries; they watch these countries make considerable progress, in improving themselves; but they also see these improvements nullified by the increases in population—improvements literally eaten up by additional people.

Some of these countries require more help than we can give them—probably more help than the whole rest of the world can give them—just to maintain their present economic levels, which often involve downright starvation of thousands of people.

Here at home our economy grows at a steady but not spectacular pace, at a rate that is not great enough to supply jobs for all the new, young people entering the labor market. This daily increase in the supply of people wanting and needing work is made more critical by the development of automation, which allows fewer people to do more work.

Thus it is that the number of people with jobs keeps going up—but so does the number of people without jobs. The entire subject for the first time has been thoroughly explored, on the floor of the Senate in recent months, with Democratic Senators CLARK, of Pennsylvania, and GRUENING, of Alaska, leading the discussion. There seems to be little argument over the existence of the problem—and somewhat diminishing differences over how it should be handled.

The Population Reference Bureau this month put out a summary of what's happened in recent years; among other things, it says that Dr. Vannevar Bush, the former White House scientific adviser, has taken a much more serious attitude toward the situation, than he once did. And it quotes the statement of former President Eisenhower, made 4 years ago, that population control "is not a proper political or governmental activity, or function, or responsibility."

But in October of this year, General Eisenhower wrote, in the Saturday Evening Post, that "As I now look back, it may be that I was carrying that conviction too far; I still believe that as a national policy, we should not make birth-control programs a condition to our foreign aid—but we should tell receiving nations how population growth threatens them, and what can be done about it."

But that's just what bothers Congress: what can be done. An obvious beginning—adopted by the Senate Foreign Relations Committee and slightly circumscribed by the House, is to furnish population-control information and technicians to foreign countries that ask for them. But that meets only a small part of the whole problem.

SUMMARY OF ACTIVITIES OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE, 1ST SESSION, 88TH CONGRESS

Mr. JOHNSTON. Mr. President, I submit for the RECORD a summary of activities of the Committee on Post Office and Civil Service for the 1st session of the 88th Congress. I should like to take this opportunity to express to all members of the committee on both sides of the aisle my appreciation of their diligence and cooperation in advancing the committee's work this session. The committee has enjoyed and is grateful for the consideration and cooperation of the leadership of the Senate, and I look forward to a continuation of this fine relationship in the coming 2d session of the 88th Congress.

Since the session convened January 9, 1963, 81 Senate bills, 2 Senate resolutions, 18 House bills and 6 commemorative stamp bills have been referred to the committee for consideration. The committee—or subcommittee thereof—has held 13 days of public hearings on 19 Senate bills and 6 House bills. Two days were devoted to hearings on two executive nominations. Three days were devoted to hearings before the Contested Nominations Subcommittee on postmaster nominations. The full committee met in executive session 14 times during the session.

The committee considered 21 Senate bills and 7 House measures. Two Senate resolutions, three Senate bills and five House bills were favorably reported. Many of the measures reported contained provisions of the 28 bills considered. One bill was referred to the committee. One remains to be acted upon in the Senate.

Nineteen hundred and eighteen postmaster nominations have been referred to the committee, of which 1,581 have been confirmed, not including 94 ordered favorably reported by the committee December 18, 1963. Thirteen nominations have been withdrawn by the President.

LEGISLATIVE RECORD

A. SENATE BILLS

First. Improves and encourages collective bargaining between the management of the Alaska Railroad and representatives of its employees, and permits to the extent practicable adoption by the Alaska Railroad of the personnel policies and practices of the railroad industry. Reported S. 622 to the Senate June 17, 1963. Passed in the Senate June 24, 1963. Pending on House Union Calendar.

Second. Federal Employees Health Benefits Act, simplifying administration of the act and correcting certain inequities. S. 1561, including provisions of S. 127 and H.R. 7400, was reported to the Senate November 14, 1963. Passed in

the Senate November 15, 1963. Pending in House committee.

Third. Transporting remains, families, and effects of Federal employees dying in Alaska and Hawaii. Reported S. 1973 to the Senate September 10, 1963. Rereferred to committee October 16, 1963.

B. HOUSE BILLS

First. Additional choice of health benefit plans. Reported H.R. 1819—S. 730, S. 778, and S. 992 were the Senate companion bills—to the Senate June 17, 1963. Passed in the Senate June 26, 1963. Public Law 88–59.

Second. Transportation of mail by passenger-carrying common carriers by motor vehicle. H.R. 5179 was reported to the Senate December 10, 1963. Passed in the Senate with an amendment to include provisions of S. 1789 December 12, 1963. House agreed to Senate amendment December 13, 1963. Awaiting approval of the President.

Third. Congressional retirement benefits extended to Architect of the Capitol and the employees of the Architect's office. Reported H.R. 5377 to the Senate December 18, 1963.

Fourth. Extending the limitation within which stations, substations, or branches of post offices may be established. Reported H.R. 5778—S. 1730 was the Senate companion—to the Senate December 10, 1963. Passed in the Senate December 12, 1963. Awaiting approval of the President.

Fifth. Parcel post rates. Provides a 3-year suspension of law requiring adjustment of parcel-post rates by the Postmaster General with the consent of the Interstate Commerce Commission pending further congressional study. Reported H.R. 5795—S. 433 was a similar Senate bill—to the Senate June 25, 1963. Passed in the Senate June 25, 1963. Signed by the President June 29, 1963. Public Law 88–51.

Sixth. Mrs. Jacqueline Bouvier Kennedy: Provides for office space, supplies, equipment, and staff for Mrs. Jacqueline Bouvier Kennedy's use; franking privileges and payment of expenses incident to the death and burial of former President John Fitzgerald Kennedy. H.R. 9291 passed House December 2, 1963. Passed Senate, amended, December 3, 1963. Senate agreed to House amendment to Senate amendments December 10, 1963. Signed by the President December 11, 1963. Public Law 88–195.

ACTIVITIES OF THE SENATE COMMITTEE ON THE DISTRICT OF COLUMBIA, 1ST SESSION, 88TH CONGRESS

Mr. BIBLE. Mr. President, in my capacity as chairman of the Senate Committee on the District of Columbia, I am pleased to present to the Senate a report and review of the activities of this committee during the 1st session of the 88th Congress. The committee has seen a busy and, I believe, productive year as the statistics and explanations I will submit will support.

The Senate District of Columbia Committee is unique among Senate committees by virtue of the great variety of problems and legislative proposals that come before it. The committee in many ways is comparable to a State legislature and city council combined. Actually, the Senate, under the Constitution, is a legislative arm for the District of Columbia government.

Unquestionably, the first and foremost accomplishment was approval by the Congress of legislation increasing the annual Federal payment to the District of Columbia from $32 to $50 million and an increase in the limit of borrowing authority from $75 to $150 million to finance needed Capital construction projects, including schools, libraries, health, welfare, and recreational facilities and a continuation of street-lighting and storm-sewer construction programs.

The problems of Washington, D.C., the central city of the country's third fastest growing metropolitan area, are increasing not unlike those of other great cities around the country. Money is not the entire answer in meeting these problems but they cannot be solved without it. The Senate approved the late President Kennedy's formula approach for computing the annual Federal payment to the District. The other body did not concur in this approach but I believe substantial headway was made in attempting to point up the unique responsibilities the Federal Government has for the financial well-being of the Nation's Capital City. The issue will continue to be not whether the Federal Government should contribute to the expenses of the government of the District but what measure can best be used to determine its fair share of the District's financial needs.

A major task which was begun but not yet finished during this session has been an in-depth examination by your committee of the need for strengthening the criminal justice code in the District of Columbia and a real effort to assist legislatively in curbing the upward crime trend in the Nation's Capital. The committee had 14 days of hearings, 3 of them in joint sessions with its counterpart in the House. Our committee records show that no single piece of legislation has received greater attention in this committee for many, many years than the House-passed omnibus crime bill which will be considered in executive session by the committee in January. The omnibus bill contains 12 proposed changes in law in 5 separate titles and deals with 2 of the most complex and difficult subjects in the criminal field today, the Mallory and Durham rules.

A forward step was taken by legislation to ease the burdens on many families and businesses who are being displaced by highway construction, general public works projects and the enforcement of housing regulations including condemnation of unsafe and insanitary buildings. Relocation costs would be paid for the first time to these displacees in addition to providing effective relocation services for families seeking new homes.

Other major legislation handled by the committee include:

First. A bill designed to refurbish downtown Washington under urban renewal processes.

Second. A 380-page bill enacting the uniform commercial code for the District of Columbia which will provide the broadest changes of law in day-to-day commercial and business transactions here in many years.

Third. A bill that should spark the construction industry in the city which permits horizontal property regimes, condominiums, for both business and residential high-rise units.

Fourth. A bill to assist health authorities in curbing the spread of venereal disease in this city, presently the fourth highest of any in this country.

Fifth. A bill to clarify the status of the location of the business offices of foreign governments in residential neighborhoods here.

Sixth. A bill to establish a junior college within the District of Columbia Teachers College, to provide improved educational facilities for many high school graduates.

Seventh. A bill to expand the driver safety education program in the District high schools.

The committee also held lengthy hearings on a proposal to amend the District of Columbia minimum wage law to provide broader coverage, improved standards of minimum wage and overtime compensation protection, and improved means of enforcement.

Mr. President, as I have said before, the ever-increasing problems of great cities of America are not unlike those that Washington, D.C., faces day by day. It is my sincere hope that progress can be made during the next year toward a rapid transit program for Washington and its suburbs. Irrespective of what method is determined to be the best, this area's growing population must be moved from its home to its office or place of employment every working day. I am most hopeful that a spirit of cooperation and an understanding of the transportation problems this city faces more critically tomorrow than today, can be met with the assistance of the Congress next year.

I ask unanimous consent to include a brief statistical report of the Committee's activities for the first session of the 88th Congress.

Likewise, I ask unanimous consent that the committee be authorized to file in the RECORD, after the adjournment of Congress, a complete report of the committee's activities for the 1st session of the 88th Congress.

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

The statistical report presented by Mr. BIBLE is as follows:

Statistical data of action by the Senate District of Columbia Committee during the 1st session of the 88th Congress

Number of bills, acts, resolutions, and nominations referred to committee	128
Number of bills, acts, resolutions, and nominations reported to Senate	33
Number of bills, acts, and resolutions (hearings held)	59
Hearings held by subcommittees on Senate bills	29
Hearings held by subcommittees on House bills	13
Hearings held by full committee on bills and nominations	17
Hearings held by full committee in joint session with House committee	6

Statistical data of action by the Senate District of Columbia Committee during the 1st session of the 88th Congress—Continued

Number of bills which have become public law	13
Number of bills which have passed both Houses and are still awaiting President's signature	4

RÉSUMÉ OF LEGISLATIVE AND ADMINISTRATIVE ACTION BY THE COMMITTEE ON RULES AND ADMINISTRATION DURING THE 1ST SESSION OF THE 88TH CONGRESS

Mr. JORDAN of North Carolina. Mr. President, as the 1st session of the 88th Congress draws to a close, I desire to make a brief report on the accomplishments of the Committee on Rules and Administration during the past year.

During this period 209 items of proposed legislation were referred to or originated in the committee for consideration. More than half of those measures have already been agreed to by the Senate. The remainder are under active consideration.

To meet the challenge of the increased workload and complexity of operations of the legislative branch, the committee's Subcommittee on Standing Rules of the Senate held rather extensive hearings on several proposals relating to the reorganization of Congress and the expeditious conduct of legislative business on the floor of the Senate. As a result of those hearings, the full committee reported four significant resolutions. One of them, which authorizes former Presidents of the United States to address the Senate, Senate Resolution 78, was agreed to on October 1, 1963. Senate Concurrent Resolution 1, providing for a joint committee to study the organization and operation of the Congress; Senate Resolution 111, permitting committees of the Senate to meet during the morning hour; and Senate Resolution 89, providing for germaneness of debate for 3 hours on any calendar day are on the Senate Calendar pending consideration by the Senate.

During the past few weeks, the Committee on Rules and Administration has been intensively involved in the investigation into the financial or business interests of any officer or employee or former officer or employee of the Senate, pursuant to Senate Resolution 212, agreed to October 10, 1963, and Senate Resolution 221, agreed to November 1, 1963. For the purposes of this special investigation, the committee engaged outside counsel, doubled its staff personnel, formulated detailed rules of procedure, met in several lengthy executive sessions, and held one full-scale public hearing. The committee intends to pursue the project thoroughly and expeditiously.

To date during the 1st session of the 88th Congress the Committee on Rules and Administration has considered and processed requests from standing, select, and special committees of the Senate for additional funds in the amount of $4,764,950 for inquiries and investigations. Legislation providing for such expenditures in the amount of $4,358,333 has been approved by the Senate.

In addition to its heavy legislative docket, the Committee on Rules and Administration has had to take action in many administrative areas. In addition to issuing the usual multiple regulations, the committee has approved civil defense licensing agreements affecting Senate areas, effected improvements in Senate restaurant operations, and laid the groundwork for participation again in the highly successful Senate youth program of a year ago.

At this time, Mr. President, I would like publicly to extend my gratitude for the excellent support which has been given to me by all the members of the committee and by the committee's staff personnel. Without their willing cooperation and dedication it would not have been possible to make this favorable progress report today.

NATIONAL COUNCIL ON THE ARTS AND NATIONAL ARTS FOUNDATION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of the so-called arts bill, Calendar 761, S. 2379.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2379) to provide for the establishment of a National Council on the Arts and a National Arts Foundation to assist in the growth and development of the arts in the United States.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 2379, the arts bill.

RECESS UNTIL 9 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, I move that the Senate take a recess until 9 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 57 minutes p.m.) the Senate took a recess until tomorrow, December 20, 1963, at 9 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 19, 1963:

POSTMASTERS

ALABAMA

Betty J. Parker, Axis.
Rebecca H. Baker, Crossville.
Evelyn Y. Lambert, Darlington.
B. Kenneth Bennett, Grove Hill.
Marion L. Glass, Jemison.
David E. Dunn, Sr., Montgomery.
Margaret P. Gray, Sipsey.
Lillian E. Tyson, Toxey.

ARKANSAS

Pleasant I. Richardson, Ash Flat.
Lexie P. Woods, Crossett.
Hal E. Bodenhamer, Mountain Home.
Roman A. Anthony, Scott.
Jesse H. Dills, Sulphur Springs.
Lois M. Henry, Thornton.
M. Eugene Martin, Van Buren.
Henry R. Robinson, Wilson.

CALIFORNIA

James T. Smith, Banning.
Herbert V. Irey, Bridgeport.
Roberta M. Shriner, Burnt Ranch.
George N. Laird, Colusa.
Frank P. Siatt, Fremont.
Edith F. Turl, Five Points.
Mary M. Seegers, French Camp.
Alvin C. Blackford, Fullerton.
Herman W. Biggers, Sr., Graton.
Marie W. Forrest, Highland.
Dolly S. Condo, Hinkley.
Anna M. Brosh, Piru.
Joan E. Gold, South Pasadena.
John W. James, Upland.

FLORIDA

Raymond E. Chandler, Altamonte Springs.
Alfred J. Tracy, Palm Beach.
Lucille H. Pearce, St. James City.

GEORGIA

Wilfred E. Parrish, Chickamauga.
Guy C. Wallis, Conyers.
Maytrice M. Lindsey, Danburg.
Roselyn S. Tyson, Harrison.
John M. Johnson, Jr., Huber.
Louise D. Drury, Nahunta.

INDIANA

Marvin D. Helmerick, Boswell.
James L. Slough, Bourbon.
Kenneth W. Cochran, Flat Rock.
Clair T. Albin, Greencastle.
Eleanor N. Harness, Grovertown.
Ellsworth G. Hartley, New Albany.
Michael H. Faikel, Portage.
Malcolm W. Menke, Westphalia.

MARYLAND

Virginia M. Lochstamphfor, Burtonsville.
John B. Sewell, Henryton.
Mary L. Greiner, Queen Anne.

MASSACHUSETTS

Richard C. Bockus, East Templeton.
Theodore I. Piwowarczyk, Indian Orchard.
Charles F. Germano, Millis.

MICHIGAN

Vere W. Arend, Baroda.
Donald C. Brill, Brutus.
Arnold S. Keskimaki, Chatham.
Charles F. Collins, Flat Rock.
Bernard F. Beauchamp, Hubbell.

MISSISSIPPI

Everett M. Furtick, Rienzi.

MISSOURI

Warren H. Dial, Belton.
John R. Evans, Monroe City.
Jack Crafton, St. James.

MONTANA

Lawrence J. Driscoll, Charlo.
Florn K. Martin, Poplar.

NEW JERSEY

Raymond V. Lyons, Ridgewood.

NEW MEXICO

R. Warner Dutro, Anthony.

NORTH CAROLINA

H. Burch Idol, Colfax.
Opal W. Packard, Mooresboro.
Archibald L. Taylor, Oxford.
William A. Lovelace, Jr., Thomasville.
Robert S. Smith, Jr., Walnut Cove.

NORTH DAKOTA

Eldora M. LaBar, White Earth.

OREGON

Robert B. Roe, Gaston.

OHIO

Merrel D. Geiger, Pandora.
Donald S. Fankhauser, Perry.
Henri L. Mondor, Piedmont.
Victor C. Ramus, Sherwood.
Buel F. Collins, South Point.

PUERTO RICO

Carlos Oramas, Bayamon.
Julio C. Rivera, Moca.
Pedro J. Sandin, San Juan.

SOUTH CAROLINA

J. Ellison Deer, Ulmers.

SOUTH DAKOTA

Darlene E. Meyer, Conde.
Leo P. Harens, Marion.
Clifford R. Mitchell, Watertown.
Marion C. Nash, Yankton.

TEXAS

Cecil O. Burton, Waxahachie.

VERMONT

Nail P. McGin, East Fairfield.
Carroll P. Eastman, East Hardwick.
Barbara M. Champney, North Pownal.

VIRGINIA

Mary E. Farrar, Afton.
William E. Brubeck, Middlebrook.
Martha E. Deane, Nottoway.

WEST VIRGINIA

Cecil B. Niswander, Lesage.

DEPARTMENT OF STATE

Thomas C. Mann, of Texas, a Foreign Service officer of the class of career minister, to be an *Assistant* Secretary of State, vice Edwin M. Martin.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 19, 1963

The House met at 12 o'clock noon.

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

Psalm 72: 17: *Men shall be blessed in Him; all nations shall call Him blessed.*

Almighty and ever-blessed God, as we continue to draw nigh unto that great day called Christmas, may it be for all of us not only a time of commemoration but of consecration.

Grant that we may pledge ourselves anew to every noble endeavor to hasten the dawning of that glorious day of prediction when men and nations shall embody and manifest those ideals and principles of love and mercy, of unselfishness and kindness, which were so grandly and completely set forth in the life of the Christ of Christmas.

May the glow of His incarnate love and glory warm our hearts, transfiguring and illumining the darkness which so often surrounds us, with the radiant light and splendor of the divine.

Hear us in His name and may the glory and praise be Thine forever and ever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 9413. An act to provide for the coinage of 50-cent pieces bearing the likeness of John Fitzgerald Kennedy; and

H. Con. Res. 246. Concurrent resolution relating to the enrollment of H.R. 8667.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 579. An act for the relief of Cilka Elizabeth Ingrova; and

S.J. Res. 136. 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 message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

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.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 36 and 40 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."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7063) entitled "An act 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 Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 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."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 25 and 42 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8667) entitled "An act authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins."

The message also announced that the Senate recedes from its amendment No. 26 to the above-entitled bill.

The message also announced that the President pro tempore of the Senate, pursuant to section 1, Public Law 86-42, had appointed the following Senators to serve as members of the United States group of the Canada-United States Interparliamentary Group at a conference to be held in Washington, D.C., beginning January 14, 1964: Mr. AIKEN, chairman; Mr. MANSFIELD, Mr. DODD, Mr. MORSE, Mr. HOLLAND, Mr. BARTLETT, Mr. HART, Mr. PASTORE, Mr. MUSKIE, Mr. MUNDT, Mr. YOUNG of North Dakota, and Mr. JORDAN of Idaho.

FOREIGN AID

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, this House is to be commended for reducing the foreign aid appropriation. Under the able leadership of the gentleman from Louisiana [Mr. PASSMAN] this House is responding to the wishes of the American people.

This Nation would be absolutely supreme in space and could very probably have bases on the planets in outer space today had we diverted just a little foreign aid to a space program in the 1940's and early 1950's. In fact, Mr. Speaker, if we had diverted some of the stupendous aid we sent to Soviet Russia, which enabled her to conquer central Europe in 1944 and 1945, to science, technology, and space I do not believe Cuba, China, and many other areas of the world would be under Communist slavery today.

The surest way for us to help our friends and allies around the world is to be militarily strong, supreme in space, and economically sound. Excessive foreign aid has very definitely weakened the United States position in the world, militarily, economically, and philosophically. By pouring billions of our taxpayers' money all over the world, we have created throughout the world a dollar image. Instead of the Stars and Stripes, the Declaration of Independence, the Constitution, and the Bill of Rights, our former friends around the world only see the dollar sign. We have sent them a blank check when they needed individual liberty, initiative, and a knowledge of the profit motive which creates jobs and develops the undeveloped.

Mr. Speaker, when people throughout the world are hungry and ill fed, we have helped and should help them; but this can be accomplished through the Red Cross, Salvation Army, the International Relief Organization, CARE, and many other organizations dedicated to this type of relief and to the world bank for loans. Mr. Speaker, it is a different proposition, however, when we take, I think illegally, the taxpayers' money to feed the ambition of some Socialist dictator and his coterie of greedy henchmen.

Our forefathers developed out of the most undeveloped continent in the world, the most highly developed. This foreign aid has become not only a millstone around the neck of the United States, but a millstone around the neck of South America, Asia, and Africa. They are being educated and taught to look to easy American dollars rather than to