finds himself in trouble, it is because he is a victim of poverty or bad companions or of a traumatic experience at birth or the sinister powers of the unconscious over which he has no control. Our solution is to forgive all, make it impossible for him to fail, and thus impossible for him to learn by experience, and then to pour his neighbors' wealth into his coffers so he can continue to involve himself in more trouble. Our philosophy seems to be that since we cannot really know all the factors that enter into a man's life, no one should ever be blamed for anything.

You see this is all tied up with our basic faith in God and our willingness or unwillingness to accept the premise that He created us in His image. By our failure or unwillingness to make the individual responsible for his own destiny and by our insistence that impersonal government shall assume these responsibilities, we are saying, in effect, that man far from being created in the image of God is nothing more significant than tumble weed blown helplessly about by every wind or influence. If we continue on our present course that exiles us as individuals from responsibilities, the future holds nothing for us but a collectivism that will drag all men down to a common level—a level below which we, as children of God, believe is reserved not for man, created in the image of God, but for the animal of the field.

We are not puppets of fate or victims of vast impersonal forces beyond human control. The politician in office, who many times cannot adequately handle his own affairs is certainly not in a better position to give adequate answers to problems of the people—problems that vary in the different segments of our society and physical geography. We as individuals are endowed with the creative freedom of God, our Maker. We are free to take a hand in determining our own destiny—whether for good or evil.

I like the words of the poet who wrote these simple lines which summarize so clearly this thought:

Life is a jig saw puzzle
  Its pieces are jagged and torn.
We piece it together with weeping
  'till sometimes it's faded and worn.

A bright bit of sunset we fashion
  A home where wee children wait;
Where flowers are blooming and twinning
  And love meets with love at the gate.

Some pieces are drab, unenticing.
  How gladly we fling them away.
But there's a place for each fragment
  And the picture is needing the gray.

No extra pieces are given,
  The rose and the gray interlace
And lovely the picture presented
  When each finds its proper place.

Sometimes there's a storm on the ocean
  And the ships are all wearied with gale.
But storms have their beauty completed
  When met with firm courage and sail.

Life is a jig saw puzzle
  Cut by the Master's hand
And each little turn and each corner
  Is a part of the love He has planned.

So please put it together with patience
  Why should we whimper or wail?
If we blindly mix up the pattern
  Should we blame the Lord if we fail?

It is imperative that we understand that with the acceptance of unalienable rights we must also accept moral responsibility.

And, third, it is imperative that we understand that it is immoral to surrender basic freedoms and fundamental rights. If God has clothed us with dignity—created us in His own image—set us in the world with the ability and with an innate will to grapple with life's problems, then, to abdicate or to transfer these freedoms and rights to the group or to government is immoral. It is in a sense to forfeit the soul.

There are those in our day in high places and low who are so presumptuous as to assume for themselves the rights God has given to each individual man. They play at being God, but because they have neither God's wisdom nor insight, they in time bring only misery and failure. This is the threat of the totalitarian state. This is the threat in the earliest form of the socialist state or the welfare state. Once man relinquishes his individual God-given rights and responsibilities to government for any reason at all, he is on the road to abdicating his heritage as the crowning creature of God's creation—he is on the road to allowing himself, as the mere cattle in the field, to be fed and milked.

Many in our Nation seem to think that the totalitarian state is something for Europe or Asia or South America—that we here in the United States have some kind of a natural immunity to it—no matter what we do or fail to do or what course we take. There is, however, only one thing that stands between us and a totalitarian government and that is the concept of the meaning of life under God, of which I have been speaking. This is why it is so very important that we as a free people do not allow to go by unnoticed or unchallenged the vicious, howbe-it, well-meaning attempts, under the guise of protecting the rights of a small minority, to take from the vast majority the right to instill in society at every level, the basic concept of God as Creator and Giver of life, liberty and the pursuit of happiness. This is why it is so important that we do not allow ourselves as free people to fall victim to those who believe that men and the physical sciences have all the answers to our problems. If we lose our grasp on the concept of God as Creator; of man possessing dignity and unalienable rights; of individual responsibility for his own destiny—if we are willing to try to substitute some synthetic creation of government for the fundamental rights of man or to insist that government assume what are our individual responsibilities we shall surely lose our freedom. The time has come for us to obey the command given to the Galatians, "Stand up and be ye separate, thus saith the Lord."

It is a fact worth pondering as we study history that when men of evil design contemplated and succeeded in enslaving a people, faith in God and the church were the first and bitterest points of attack and that in the struggle to remain free the main resistance to totalitarian evil came not from the universities, the centers of science, not from corporations, the centers of profit, not from trade unions, dealing solely with the material aspects of society, but from the churches, the centers of faith, and more directly from men of faith themselves. Faith and freedom are inseparable. They are co-defendants. Destroy faith in God and you destroy freedom as we know it. Destroy freedom and you destroy the faith in God out of which we have our concept of the dignity of man.

I opened my remarks with words from Lincoln and I close my remarks with a paraphrase of the last sentence of Lincoln's Gettysburg Address. It is my fervent prayer that, "This Nation under God"—and I hasten to add "this world under God"—"shall have a new birth of freedom for unless we do, government of the people, by the people, and for the people will perish from the earth."

SENATE

THURSDAY, FEBRUARY 28, 1963

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

Rev. Emory Stevens Bucke, D.D., book editor of the Methodist Church, Nashville, Tenn., offered the following prayer:

O God of love and power, we pray that Thy spirit may be in us. May men of all nations and stations be bound together in Thy family of man.

Grant Thy blessing on those who seek it, and make our wills sturdy enough to do Thy will. Give us grace enough to be humble, and help us to admit and correct our own errors before we seek to correct the errors of our brothers.

Lead us, Heavenly Father, that we may follow Thy way and know Thy truth. This we pray for life.

Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 25, 1963, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

CIVIL RIGHTS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 75)

Mr. MANSFIELD. Mr. President, the President has transmitted to the Congress today a message relating to civil rights. I am informed the message has been read in the House of Representatives. I therefore ask unanimous consent that its reading in the Senate be waived, and that the message be appropriately referred.

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

The message was referred to the Committee on the Judiciary.

(For President's message, see House proceedings of today.)

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. 79. An act to require authorization for certain appropriations for the Coast Guard, and for other purposes;

H.R. 780. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers in the case of decedents dying after December 31, 1947;

H.R. 1597. An act relating to the tax treatment of redeemable ground rents;

H.R. 1839. An act to amend the Tariff Act of 1930 to provide for the free importation of wild animals and wild birds which are intended for exhibition in the United States;

H.R. 2053. An act to provide for the temporary suspension of the duty on corkbo. d insulation and on cork stoppers;

H.R. 2085. An act to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman;

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; and

H.J. Res. 284. Joint resolution making supplemental appropriations for the Department of Agriculture for the fiscal year ending June 30, 1963, and for other purposes.

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. 79. An act to require authorization for certain appropriations for the Coast Guard, and for other purposes; to the Committee on Commerce.

H.R. 780. An act to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers in the case of decedents dying after December 31, 1947;

H.R. 1597. An act relating to the tax treatment of redeemable ground rents;

H.R. 1839. An act to amend the Tariff Act of 1930 to provide for the free importation of wild animals and wild birds which are intended for exhibition in the United States;

H.R. 2053. An act to provide for the temporary suspension of the duty on corkboard insulation and on cork stoppers;

H.R. 2085. An act to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her hubsand on the same basis as a single woman;

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; to the Committee on Finance.

H.J. Res. 284. Joint resolution making supplemental appropriations for the Department of Agriculture for the fiscal year ending June 30, 1963, and for other purposes; to the Committee on Appropriations.

LIMITATION OF STATEMENTS DURING MORNING HOUR

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

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. CURTIS, on behalf of Mr. MCCLELLAN, the Investigations Subcommittee of the Committee on Government Operations was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Commerce.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency:

Philip N. Brownstein, of Maryland, to be Federal Housing Commissioner.

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

Roland R. Renne, of Montana, to be an Assistant Secretary of Agriculture; and

Roland R. Renne, of Montana, to be a member of the Board of Directors of the Commodity Credit Corporation.

Mr. ROBERTSON subsequently said: Mr. President, last Tuesday the Banking and Currency Committee considered the nomination of Philip N. Brownstein to be Federal Housing Commissioner. The committee approved the nomination without objection, and it has been reported today. I ask unanimous consent that a biography of Mr. Brownstein and copies of the letters which the committee received in support of the nomination be printed in the RECORD at this point.

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

Philip N. Brownstein, whom the President announced today he intended to appoint as Commissioner of the Federal Housing Administration, has had long experience in Government and housing.

Mr. Brownstein, who is presently Chief Benefits Director of the Veterans' Administration, was born February 14, 1917, at Ober, Ind. He attended high school at Knox, Ind., and George Washington University. He began his Government career with the Federal Housing Administration in 1934. During his early years with FHA he attended law classes at Columbus University in Washington, D.C. He received his LL.B. degree in law in 1940 and his LL.M. degree in 1941. He was admitted to the District of Columbia bar in 1940. In 1944 he entered the U.S. Marine Corps and served until 1946. From the Marine Corps he entered the Veterans' Administration and began a 17-year record of increasing managerial responsibility in the Veterans' Administration.

After service as Assistant Chief of the Loans and Claims Division and Chief of the Claims and Liquidation Division, he was appointed in 1954 to the position of Assistant Director for Loan Policy and Management of the Loan Guaranty Service. In March of 1958 he was named Director of the Loan Guaranty Service, in full charge of the program which has insured 7 million home loans to veterans.

As Chief Benefits Director, a position he has held since March 15, 1961, Mr. Brownstein is in charge of the entire VA benefits program, including claims service with its compensation, and pension departments, the rehabilitation program for disabled veterans, the vocational training and education program that has already furnished schooling or training to more than 10 million veterans, and the loan guaranty program. Mr. Brownstein holds the highest honor the Veterans' Administration can bestow, the Exceptional Service Award.

Mr. Brownstein and his wife, Esther, make their home at 620 Sheridan Street, Hyattsville, Md. Their son, Michael, is now a student at Columbia University in New York.

UNITED STATES SAVINGS & LOAN LEAGUE,
Chicago, Ill., January 23, 1963.

Hon. JOHN SPARKMAN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SPARKMAN: As president of the United States Savings and Loan League, representing almost 5,000 members and over 95 percent of the assets of the savings and loan business, I want you to know that we wholeheartedly endorse the appointment of Philip N. Brownstein to be Commissioner of the Federal Housing Administration.

The Nation's savings and loan associations have an active interest in the national housing industry, and we feel that Mr. Brownstein is eminently qualified to take on the duties and responsibilities of FHA Commissioner. His long, loyal, and able service in the field of housing makes him the ideal choice to continue his service to the public, the Federal housing agencies, and the housing industry in its entirety.

I would appreciate it if you would see fit to make this a part of the hearings on Mr. Brownstein's nomination.

Sincerely,

F. B. YEILDING, Jr.,
President.

MORTGAGE BANKERS ASSOCIATION OF AMERICA,
Washington, D.C., January 18, 1963.

Hon. A. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR ROBERTSON: It is my understanding that the nomination of Philip N. Brownstein to be Commissioner of the Federal Housing Administration is before your committee for consideration.

May I say that the Mortgage Bankers Association of America supports Mr. Brownstein's appointment without qualification and with enthusiasm. We know from many years' experience that Mr. Brownstein is admirably qualified for this position, and we are confident that he will administer the affairs of this great agency with competence.

It is our hope that because of the urgent business now before FHA, hearings on Mr. Brownstein's nomination can be scheduled by the committee without delay, and I would request that this letter be placed in the record in support of his appointment as Commissioner.

Sincerely yours,

SAMUEL E. NEEL,
General Counsel.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 17, 1963.

Hon. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN ROBERTSON: I have known Philip N. Brownstein over the years and know him to be an extremely capable man. I am delighted to hear of his nomination as FHA Commissioner and I am sure the committee will act favorably.

Best regards.

Sincerely,

DANTE B. FASCELL,
Member of Congress.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

GUAM

The Chief Clerk read the nomination of Manuel F. L. Guerrero, of Guam, to be Governor of Guam for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nomination will be considered en bloc; and, without objection, they are confirmed.

U.S. NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations in the Army be considered en bloc, with the exception of the nomination of Brig. Gen. Paul Leonard Kleiver.

The PRESIDENT pro tempore. Without objection, the nominations referred to will be considered en bloc; and, without objection, they are confirmed.

THE AIR FORCE, THE ARMY, THE NAVY, AND THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Air Force, the Army, the Navy, and the Marine Corps, which had been placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations the Senate has confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. 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.

RANKING OF SENATOR STENNIS ON COMMITTEE ON ARMED SERVICES

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that for the remainder of the 88th Congress the junior Senator from Mississippi [Mr. STENNIS] be listed, following the chairman, as the ranking majority member of the Committee on Armed Services.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON CONSTRUCTION OF A SATURN V GROUND SUPPORT EQUIPMENT TEST FACILITY AT MARSHALL SPACE FLIGHT CENTER, HUNTSVILLE, ALA.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of a Saturn V ground support equipment test facility at the Marshall Space Flight Center, Huntsville, Ala.; to the Committee on Aeronautical and Space Sciences.

REPORT ON EXPANSION OF CITY OF COCOA, FLA., WATER PLANT

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the expansion of the city of Cocoa, Fla., water plant to provide adequate water supply for the manned lunar landing program area at Merritt Island, Fla.; to the Committee on Aeronautical and Space Sciences.

REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Associate Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on title I agreements concluded during January 1963 under the Agricultural Trade Development and Assistance Act of 1954 (with an accompanying report); to the Committee on Agriculture and Forestry.

APPOINTMENT OF DIRECTOR AND DEPUTY DIRECTOR OF THE COAST AND GEODETIC SURVEY

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize appointment of the Director and Deputy Director of the Coast and Geodetic Survey from civilian life, and for other purposes (with accompanying papers); to the Committee on Commerce.

PUBLICATION ENTITLED "STATISTICS OF ELECTRIC UTILITIES IN THE UNITED STATES, 1961, PRIVATELY OWNED"

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, for the information of the Senate, a publication entitled "Statistics of Electric Utilities in the United States, 1961, Privately Owned" (with an accompanying document); to the Committee on Commerce.

PROPOSED LEGISLATION RELATING TO DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the Commissioners of the District of Columbia to sell a right-of-way across a portion of the District Training School grounds at Laurel, Md., and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925 (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize certain expenses in the government of the District of Columbia, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Street Readjustment Act of the District of Columbia so as to authorize the Commissioners of the District of Columbia to close all or part of a street, road, highway, or alley in accordance with the requirements of an approved redevelopment or urban renewal plan, without regard to the notice provisions of such act, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to increase the partial pay of educational employees of the public schools of the District of Columbia who are on leave of absence for educational improvement, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes" (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to promote safe driving and eliminate the reckless and irresponsible driver from the streets and highways of the District of Columbia by providing that any person operating a motor vehicle within the District while apparently under the influence of intoxicating liquor shall be deemed to have given his consent to a chemical test of certain of his body substances to determine the alcoholic content of his blood, and for other purposes

(with an accompanying paper); to the Committee on the District of Columbia.

A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for the regulation of the business of selling securities in the District of Columbia and for the licensing of persons engaged therein, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the Commissioners of the District of Columbia to utilize volunteers for active police duty (with an accompanying paper); to the Committee on the District of Columbia.

U.S. PARTICIPATION IN INTERNATIONAL BUREAU FOR THE PROTECTION OF INDUSTRIAL PROPERTY

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the joint resolution providing for U.S. participation in the International Bureau for the Protection of Industrial Property (with an accompanying paper); to the Committee on Foreign Relations.

AUDIT REPORT ON ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the St. Lawrence Seaway Development Corporation, Department of Commerce, calendar year 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF UNNECESSARY DETERIORATION OF UNUSED RUBBER TRACKS FOR ARMY COMBAT VEHICLES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of unnecessary deterioration of unused rubber tracks for Army combat vehicles, dated February 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF PROGRAMING, DELIVERY, AND UTILIZATION OF SELECTED MISSILE SYSTEM EQUIPMENT DELIVERED TO EUROPEAN COUNTRIES UNDER MILITARY ASSISTANCE PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the review of the programing, delivery, and utilization of selected missile system equipment delivered to European countries under the military assistance program (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF UNNECESSARY PLANNED PROCUREMENT OF GENERATORS BY DEPARTMENT OF THE ARMY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of unnecessary planned procurement of generators by the Department of the Army, dated February 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON CONTRACTS TO FACILITATE THE NATIONAL DEFENSE

A letter from the General Manager, U.S. Atomic Energy Commission, Washington, D.C., reporting, pursuant to law, that the Commission had taken no affirmative actions under authority of the act to make contracts to facilitate the national defense, during the calendar year ended December 31, 1962; to the Committee on the Judiciary.

REPORT ON AUDIT OF NATIONAL FUND FOR MEDICAL EDUCATION

A letter from the executive vice president, National Fund for Medical Education, New York, N.Y., transmitting, pursuant to law, a report on the audit of that fund, for the year ended December 31, 1962 (with an accompanying report); to the Committee on the Judiciary.

FINANCIAL STATEMENT OF BOYS' CLUBS OF AMERICA

A letter from the president and national director, Boys' Clubs of America, New York, N.Y., transmitting, pursuant to law, an audited financial statement of that organization, for the year 1962 (with an accompanying statement); to the Committee on the Judiciary.

VOCATIONAL REHABILITATION ACT AMENDMENTS OF 1963

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Vocational Rehabilitation Act to assist in providing more flexibility in the financing and administration of State rehabilitation programs, and to assist in expansion of services and facilities provided under such programs, particularly for the mentally retarded and other groups presenting special vocational rehabilitation problems, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 1

"Joint memorial memorializing the Congress of the United States to direct the Bureau of Land Management to withhold any adjustments in domestic livestock grazing fees prior to the holding of the requested congressional hearings in the affected State

"Whereas the Secretary of the Interior has proposed to raise livestock grazing fees on Bureau of Land Management lands; and

"Whereas the economy of many communities and counties in the State of Colorado is dependent upon the grazing of domestic livestock on the Federal lands; and

"Whereas from studies conducted by universities and State and national agencies it has been determined that the average rate of return to stockmen is substantially less than that allowed regulated industries, so that any increase in fees would cause many livestock operations dependent on Federal range lands to become unprofitable or marginal; and

"Whereas use of the Federal range held for grazing purposes results in the production of a major raw material resource of these lands; and

"Whereas the tax base of many areas in Colorado and other Western States is dependent upon and affected by the permanency, security and value of grazing rights: Now, therefore, be it

"Resolved by the House of Representatives of the 44th General Assembly of the State of Colorado (the Senate concurring herein), That this general assembly hereby petitions the Members of the Congress of the United States to direct the Bureau of Land Management to withhold any adjustments in domestic livestock grazing fees prior to the holding of the industry-requested congressional hearings in Colorado and in each of the affected States; and be it further

"Resolved, If after these requested congressional hearings have been held in Colorado and other Western States and if it is determined that an adjustment in grazing fees is justified and necessary then such an adjustment be based only on the presently used livestock price index formula; and be it further

"Resolved, That copies of this memorial be sent to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Members of Congress from the State of Colorado, the chairman of the Senate Committee on Interior and Insular Affairs, the chairman of the House Committee on Interior and Insular Affairs, and the Secretary of the Interior.

"JOHN D. VANDERHOOF,
"Speaker of the House of Representatives.
"DONALD H. HENDERSON,
"Chief Clerk of the House of Representatives.
"ROBERT L. KNOUS,
"President of the Senate.
"MILDRED H. CRESSWELL,
"Secretary of the Senate."

Two joint resolutions of the Legislature of the State of California; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 1

"Joint resolution relative to the ratification of an amendment to the Constitution of the United States, proposed by the Congress of the United States, relating to the qualifications of electors

"Whereas the 87th Congress of the United States of America has adopted Senate Joint Resolution 29 (two-thirds of each House concurring therein) proposing an amendment to the Constitution of the United States, in the following words, to wit:

"'JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES RELATING TO THE QUALIFICATIONS OF ELECTORS

"*'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 hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress:

"*'Article —*

"'SECTION 1. The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax.

"'SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.', and

"Whereas said proposed amendment will be valid as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, a majority of all the members elected to each house of said legislature voting in favor thereof, That the proposed amendment be and the same is hereby ratified by the Legislature of the State of California; and be it further

"Resolved, That certified copies of the foregoing preamble and resolution be forwarded by the Governor of the State of California to the President of the United States, the Secretary of State of the United States, the President pro tempore of the Senate of the United States and the Speaker of the House of Representatives of the United States.

"GLENN M. ANDERSON,
"President of the Senate.
"JESSE M. UNRUH,
"Speaker of the Assembly.

"Attest: "FRANK M. JORDAN,
"Secretary of State.
"WALTER C. STUTLER,
"Assistant Secretary of State."

"ASSEMBLY JOINT RESOLUTION 2

"Joint resolution relative to the ratification of an amendment to the Constitution of the United States proposed by the Congress of the United States, relating to the qualifications of electors

"Whereas the 87th Congress of the United States of America has adopted Senate Joint Resolution 29 (two-thirds of each House concurring therein), proposing an amendment to the Constitution of the United States, in the following words, to wit:

"'JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES RELATING TO THE QUALIFICATIONS OF ELECTORS

"'*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 hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"'*Article* —

"'SECTION 1. The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax.

"'SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.', and

"Whereas said proposed amendment will be valid as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, a majority of all the members elected to each house of said legislature voting in favor thereof, That the proposed amendment be and the same is hereby ratified by the Legislature of the State of California; and be it further

"Resolved, That certified copies of the foregoing preamble and resolution be forwarded by the Governor of the State of California to the President of the United States, the Secretary of State of the United States, the President pro tempore of the Senate of the United States, and the Speaker of the House of Representatives of the United States.

"JESSE M. UNRUH,
"Speaker of the Assembly.
"GLENN M. ANDERSON,
"President of the Senate.

"Attest:

"FRANK M. JORDAN,
"Secretary of State.
"WALTER C. STUTLER,
"Assistant Secretary of State."

A resolution of the Legislature of the Territory of Guam; to the Committee on Post Office and Civil Service:

"RESOLUTION 67

"Resolution relative to respectfully requesting and memorializing the President's Committee on Equal Employment Opportunity to support the people of Guam in their efforts to require an end to the highly discriminatory dual wage system practiced in this territory

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas the dual wage system practiced among the Federal employees residing on Guam is discriminatory on its face in that one's wage rate and perquisites depend not on skill and experience but on place of origin, the locally hired employees receiving both a much lower wage and much fewer privileges than the equivalent off-island hire doing exactly the same work and having the same responsibilities; and

"Whereas the Governor of Guam, including both the executive and legislative branches thereof, has done all within its power to bring this highly unfair and inequitable system to the attention of the Department of Defense and the Civil Service Commission with the ultimate goal of abolishing this colonial vestige of Guam's former status as a dependency of the Naval Department, but little has been so far accomplished toward this end; and

"Whereas the legislature is advised that the President's Committee on Equal Employment Opportunity is vested with the authority to end discrimination in the defense activities of the United States Government, and it would therefore have a legitimate interest in discriminatory wage practices in the defense activities on Guam; now therefore be it

"Resolved, That the Seventh Guam Legislature does hereby on behalf of the people of Guam respectfully request and memorialize the President's Committee on Equal Employment Opportunity to support the people of Guam in their efforts to put an end to the discriminatory dual wage system, thereby permitting all the citizen employees of the Federal Civil Service on Guam to be treated equally in their wages; and be it further

"Resolved, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of Interior, to the Secretary of Defense, to the Chairman, President's Committee on Equal Employment Opportunity, Washington 25, D.C., and to the Governor of Guam.

"Duly adopted on the 26th day of January 1963.

"A. B. WON PAT,
"Speaker.
"V. B. BAMBA,
"Legislative Secretary."

A resolution adopted by the House of Delegates of the American Bar Association, Chicago, Ill., favoring the enactment of legislation to establish an Administrative Conference of the United States; to the Committee on Government Operations.

A resolution adopted by the Belen, N. Mex., Chamber of Commerce, favoring the establishment of a memorial library in Belen to honor the late Senator Dennis Chavez; to the Committee on Rules and Administration.

PROPOSED REVISION OF IMMIGRATION AND NATIONALITY ACT OF 1952—RESOLUTION

Mr. KEATING. Mr. President, the Haddassah, Women's Zionist Organization of America, has adopted a resolution pertaining to the current proposals to revise the Immigration and Nationality Act of 1952. I ask unanimous consent that the resolution be printed following my remarks.

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

AMERICAN AFFAIRS RESOLUTION ADOPTED AT MIDWINTER CONFERENCE, NEW YORK, N.Y., FEBRUARY 1963, ON IMMIGRATION

Whereas the Immigration and Nationality Act of 1952, often referred to as the McCarran-Walter Act, provides for a national origins quota system which places discriminatory limitation on immigration from many countries; and

Whereas under the foregoing immigration law the needs of refugees are not met, thereby necessitating special legislation to meet each emergency as it arises: Now, therefore, be it

Resolved, That Hadassah, the Women's Zionist Organization of America, assembled in midwinter conference, urges the Congress of the United States to enact legislation providing for reforms to eliminate the discriminatory practices of the national origins quota system, and to include permanent provisions for the allocation of quotas for refugees.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 20. A bill to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and for other purposes (Rept. No. 11).

By Mr. ROBERTSON, from the Committee on Banking and Currency, with amendments:

S. Res. 14. Resolution authorizing the Committee on Banking and Currency to make certain investigations (Rept. No. 10); to the Committee on Rules and Administration.

By Mr. SPARKMAN, from the Committee on Banking and Currency, with amendments:

S. Res. 15. Resolution authorizing the Committee on Banking and Currency to investigate matters pertaining to public and private housing (Rept. No. 12); to the Committee on Rules and Administration.

SUPPLEMENTAL APPROPRIATION FOR DEPARTMENT OF AGRICULTURE—REPORT OF A COMMITTEE (S. REPT. NO. 9)

Mr. HOLLAND. Mr. President, on behalf of the Committee on Appropriations, to which was referred House Joint Resolution 284, making supplemental appropriations for the Department of Agriculture for fiscal 1963, I wish to report the joint resolution at this time favorably, and to state for any Senators who may be interested, that there are Thermo-Fax copies of the committee report now available for anyone who may

request one, because we hope to take up the measure in the shortest possible time.

The PRESIDING OFFICER (Mr. McGOVERN in the chair). The report will be received and printed, and the joint resolution will be placed on the calendar.

TO PRINT AS A SENATE DOCUMENT A COMPILATION OF MATERIALS RELATING TO THE HISTORY OF THE COMMITTEE ON BANKING AND CURRENCY—REPORT OF A COMMITTEE

Mr. ROBERTSON, from the Committee on Banking and Currency, reported an original resolution (S. Res. 99), which was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed, with illustrations, as a Senate document a compilation of materials relating to the history of the Senate Committee on Banking and Currency, in connection with its fiftieth anniversary (1913–1963); and that there be printed for the use of that committee one thousand additional copies of such document.

REVISION AND PRINTING OF SENATE MANUAL FOR 88TH CONGRESS—REPORT OF A COMMITTEE

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 101); which was placed on the calendar, as follows:

Resolved, That the Committee on Rules and Administration be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Eighty-eighth Congress, that said Rules and Manual shall be printed as a Senate document, and that one thousand six hundred and fifty additional copies shall be printed and bound, of which one thousand copies shall be for the use of the Senate, two hundred copies shall be for the use of the Committee on Rules and Administration, and the remaining four hundred and fifty copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

HELEN M. JOHNSON—REPORT OF A COMMITTEE

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 102); which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Helen M. Johnson, widow of Curtis E. Johnson, an employee of the Senate at the time of his death, a sum equal to ten and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SON RANKINS—REPORT OF A COMMITTEE

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 103) to pay a gratuity to Son Rankins, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Son Rankins, widower of Ella M. Rankins, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. GOLDWATER:

S. 919. A bill for the relief of Flora and William Bisof; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. ALLOTT, Mr. BARTLETT, Mr. BAYH, Mr. BENNETT, Mr. BOGGS, Mr. CURTIS, Mr. HAYDEN, Mr. HRUSKA, Mr. LAUSCHE, Mr. METCALF, Mr. MOSS, Mrs. NEUBERGER, Mr. RANDOLPH, Mr. SCOTT, Mr. SPARKMAN, Mr. TOWER, Mr. YARBOROUGH, Mr. McINTYRE, Mr. DOMINICK, Mr. CLARK, Mr. HUMPHREY, and Mr. FONG):

S. 920. A bill to amend sections 303 and 310 of the Communications Act of 1934, as amended, to provide that the Federal Communications Commission may, if it finds that the public interest, convenience or necessity may be served, issue authorizations, but not licenses, for alien amateur radio operators to operate their amateur radio stations in the United States, its possessions, and the Commonwealth of Puerto Rico provided there is in effect a bilateral agreement between the United States and the alien's government for such operation by U.S. amateurs on a reciprocal basis; to the Committee on Commerce.

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

By Mr. MAGNUSON:

S. 921. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773, 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; and

S. 922. A bill to establish in the Department of Agriculture an office for two additional Assistant Secretaries, one of whose prime responsibility shall be forest resources and for other purposes; to the Committee on Agriculture and Forestry.

S. 923. A bill to amend the National Housing Act, as amended (48 Stat. 1246, 12 U.S.C. 1701), to require the use of domestically grade-marked lumber and wood products in the construction of housing federally financed and/or federally insured, and for other purposes; to the Committee on Banking and Currency.

S. 924. A bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin; to the Committee on Finance.

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

By Mr. MAGNUSON (by request):

S. 925. A bill to amend section 203(b)(6) of the Interstate Commerce Act, as amended, so as to limit the application of the exemptions provided therein, and for other purposes; and

S. 926. A bill to repeal section 303(b) of the Interstate Commerce Act, as amended, relating to the water-carrier bulk commodity exemption, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

S. 927. A bill to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title; and

S. 928. A bill to amend section 802 of the Merchant Marine Act, 1936, as amended, to provide that owners of vessels requisitioned by the United States shall be accorded preference toward reacquiring these vessels when they can be released by the Government, and for other purposes; to the Committee on Commerce.

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

By Mr. KEATING:

S. 929. A bill for the relief of Maggiorina Magnante; and

S. 930. A bill for the relief of William Miller; to the Committee on the Judiciary.

By Mr. MILLER (for himself and Mr. HICKENLOOPER):

S. 931. A bill to authorize the Secretary of the Army to pay fair value for improvements located on the railroad rights-of-way owned by bona fide lessees or permittees; to the Committee on Public Works.

By Mr. BIBLE:

S. 932. A bill relating to age limits in connection with appointments to the U.S. Park Police; to the Committee on Interior and Insular Affairs.

By Mr. BIBLE (by request):

S. 933. A bill to amend the District of Columbia Practical Nurses' Licensing Act, and for other purposes; and

S. 934. A bill to authorize the Commissioners of the District of Columbia to utilize volunteers for active police duty; to the Committee on the District of Columbia.

By Mr. ERVIN (for himself, Mr. JOHNSTON, Mr. McCLELLAN, and Mr. HRUSKA):

S. 935. A bill to protect the constitutional rights of certain individuals who are mentally ill, to provide for their care, treatment, and hospitalization, and for other purposes; to the Committee on the Judiciary.

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

By Mr. YARBOROUGH:

S. 936. A bill to provide transportation for molten sulfur in an amount not to exceed 100,000 long tons in the vessels S.S. *Etude* and S.S. *Pochteca* from U.S. ports on the gulf coast to other points in the United States along the gulf coast and the eastern seaboard until December 31, 1963; to the Committee on Commerce.

S. 937. A bill to amend the act of August 16, 1957 (71 Stat. 372), authorizing the construction of the San Angelo Federal reclamation project, Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. METCALF:

S. 938. A bill relating to the provision of facilities and services for the accommodation of visitors in the national parks, monuments, and reservations, authorizing the Secretary of the Interior to guaranty the obligations of concessioners incurred for such purposes; to the Committee on Interior and Insular Affairs.

By Mr. TALMADGE:

S. 939. A bill for the relief of Dr. and Mrs. Charles Edward Cunningham; to the Committee on Finance.

S. 940. A bill for the relief of Mr. and Mrs. Edward V. Amason; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself, Mr. PASTORE, Mr. SALTONSTALL, and Mr. MUSKIE):

S. 941. A bill to amend section 301 of the Tariff Act of 1930, as amended; to the Committee on Finance.

Mr. SALTONSTALL. Mr. President, I am pleased to join my distinguished colleagues, Senators TALMADGE, MUSKIE, and PASTORE, in the introduction of legislation designed to tighten a loophole in the Tariff Act of 1930 which allows large imports of so-called waterproof cloth.

Section 301 of the Tariff Act permits the duty free importation of goods containing not more than 50 percent of foreign materials on a value basis, from the insular possessions of the United States. Loopholes in this provision have had an adverse effect on many of our domestic industries.

I understand that under present procedures, large quantities of Italian-produced woolen fabrics are being imported into the Virgin Islands. There the goods are given an inexpensive waterproofing treatment before being shipped to the United States where they enter duty free. In many instances the resulting fabric is used in the manufacture of skirts and trousers so that the waterproofing is of little or no value and is, in such cases, merely a device to enable the importers to take advantage of the duty free provisions of section 301.

The Department of Commerce has published figures which indicate that a total of more than 6 million square yards of these waterproofed cloths was imported during the first 7 months of 1962. This amounted to nearly 20 percent of the regular woven fabric imports during this same period. The waterproofing operations employ very few people and do little to add to the economy of the Virgin Islands. However, the loss of duty to the U.S. Treasury resulting from this procedure was more than $4 million during the first 7 months of last year.

The legislation that we are introducing today will put an end to this artificial practice and will help to eliminate at least one of the problems being faced by our domestic woolen textile manufacturers. Massachusetts is the leading wool manufacturing State in the Nation and its economy is therefore especially vulnerable to these increasing import pressures from foreign manufacturers. I am particularly hopeful that this legislation will provide some relief for these people.

By Mr. KEFAUVER (for himself, Mr. MANSFIELD, Mr. METCALF, Mr. HUMPHREY, Mr. CHURCH, Mr. YARBOROUGH, Mr. DOUGLAS, Mr. MCCARTHY, Mr. MORSE, Mr. BIBLE, and Mr. BURDICK):

S. 942. A bill to amend section 7 of the Clayton Act to give effect to the operation of the provisions of that section applicable to certain railroad consolidations and mergers until December 31, 1964, and for other purposes; ordered to lie on the desk for 10 days.

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

By Mr. LAUSCHE:

S. 943. A bill to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes; to the Committee on Foreign Relations.

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

By Mr. KUCHEL (for himself, Mr. MORSE, Mr. GRUENING, Mr. MCGEE, Mr. YARBOROUGH, Mr. JAVITS, Mr. GOLDWATER, Mr. MECHEM, Mr. TOWER, and Mr. ENGLE):

S. 944. A bill to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes; to the Committee on Foreign Relations.

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

By Mr. KUCHEL (for himself and Mr. HUMPHREY):

S. 945. A bill to amend the Davis-Bacon Act to extend its application to contracts for the maintenance of Federal installations; to the Committee on Labor and Public Welfare.

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

By Mr. FULBRIGHT (by request):

S. 946. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes;

S. 947. A bill to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes;

S. 948. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; and

S. 949. A bill to amend the United Nations Participation Act, as amended (63 Stat. 734–736); to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bills which appear under separate headings.)

By Mr. LONG of Missouri:

S. 950. A bill for the relief of Dr. Dunet Francois Belancourt; to the Committee on the Judiciary.

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

S. 951. A bill for the relief of Dr. William M. Yen; to the Committee on the Judiciary.

By Mr. MORSE:

S. 952. A bill for the relief of Joo Yon Ohm Cederberg; to the Committee on the Judiciary.

By Mr. HART:

S. 953. A bill to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. TOWER:

S. 954. A bill to amend the Internal Revenue Code of 1954 so as to provide for reform of personal and corporate income tax rates, and for other purposes; to the Committee on Finance.

S. 955. A bill to amend the antitrust laws to prohibit certain activities of labor organizations in restraint of trade and commerce, and for other purposes; to the Committee on the Judiciary.

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

By Mr. CASE:

S. 956. A bill providing a program of financial assistance to the States for the construction of public community colleges; to the Committee on Labor and Public Welfare.

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

By Mr. JORDAN of Idaho:

S. 957. A bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin; to the Committee on Finance.

S. 958. A bill to amend the National Housing Act to provide that only lumber and other wood products which have been produced in the United States may be used in construction or rehabilitation covered by Federal Housing Administration insured mortgages; to the Committee on Banking and Currency.

(See the remarks of Mr. JORDAN of Idaho when he introduced the above bills, which appear under a separate heading.)

By Mr. RANDOLPH (by request):

S. 959. A bill to amend section 104(b)(3) of title 23, United States Code, relating to the apportionment of funds for extensions of the Federal-aid primary and Federal-aid secondary systems within urban areas; to the Committee on Public Works.

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

By Mr. CASE:

S. 960. A bill to establish the Joint Committee on Defense and Space Contracts, and for other purposes; and

S. 961. A bill to require public disclosure of certain information concerning the award of contracts entered into by the Armed Forces and by the National Aeronautics and Space Administration, and for other purposes; to the Committee on Armed Services.

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

By Mr. JORDAN of Idaho:

S. 962. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773; 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; to the Committee on Agriculture and Forestry.

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

By Mr. MAGNUSON:

S.J. Res. 50. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Finance.

(See the remarks of Mr. MAGNUSON when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. GOLDWATER (for himself, Mr. BEALL, Mr. CANNON, Mr. DOMINICK, Mr. HOLLAND, Mr. INOUYE, Mr. MILLER, Mr. CASE, Mr. FONG, Mr. CLARK, Mr. MOSS, Mr. SYMINGTON, Mr. THURMOND, Mr. ALLOTT, and Mr. CURTIS):

S.J. Res. 51. Joint resolution to authorize the presentation of an Air Force Medal of Recognition to Maj. Gen. Benjamin D. Foulois, retired; to the Committee on Armed Services.

(See the remarks of Mr. GOLDWATER when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. TOWER:

S.J. Res. 52. Joint resolution directing the Secretary of Agriculture to submit proposals to the Congress for the gradual termination of unnecessary Federal controls on farming; to the Committee on Agriculture and Forestry.

S.J. Res. 53. Joint resolution to establish the Joint Committee on Foreign Trade; to the Committee on Finance.

S.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; and

S.J. Res. 55. Joint resolution to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

(See the remarks of Mr. TOWER when he introduced the above joint resolutions, which appear under a separate heading.)

By Mr. JORDAN of Idaho:

S.J. Res. 56. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Finance.

(See the remarks of Mr. JORDAN of Idaho when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTIONS

EXPRESSION OF SENSE OF CONGRESS THAT THE PURPOSE OF U.S. FOREIGN POLICY IS VICTORY OVER COMMUNISM

Mr. TOWER submitted a concurrent resolution (S. Con. Res. 24) to express the sense of Congress that the purpose of U.S. foreign policy is victory over communism, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. TOWER, which appears under a separate heading.)

OBSERVANCE OF SIGNING OF THE DECLARATION OF INDEPENDENCE

Mr. RIBICOFF submitted a concurrent resolution (S. Con. Res. 25) favoring observance on July 4 of each year by the ringing of bells throughout the United States, of the anniversary of the signing of the Declaration of Independence, which was referred to the Committee on the Judiciary.

(See the above concurrent resolution printed in full when submitted by Mr. RIBICOFF, which appears under a separate heading.)

RESOLUTIONS

CONTINUANCE OF AUTHORITY FOR COMMITTEE ON GOVERNMENT OPERATIONS TO MAKE CERTAIN INVESTIGATIONS

Mr. MANSFIELD submitted a resolution (S. Res. 98) continuing the authority of the Committee on Government Operations through March 31, 1963, to make certain investigations which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

TO PRINT AS A SENATE DOCUMENT A COMPILATION OF MATERIALS RELATING TO THE HISTORY OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. ROBERTSON, from the Committee on Banking and Currency, reported an original resolution (S. Res. 99) to print as a Senate document, with additional copies, a compilation of materials relating to the history of the Committee on Banking and Currency, which, under the rule, was referred to the Committee on Rules and Administration.

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

INVESTIGATION OF GOVERNMENT COMPETITION WITH PRIVATE BUSINESS

Mr. TOWER submitted a resolution (S. Res. 100) to provide for an investigation of Government competition with private business, which was referred to the Committee on Government Operations.

(See the above resolution printed in full when submitted by Mr. TOWER, which appears under a separate heading.)

REVISION AND PRINTING OF SENATE MANUAL FOR 88TH CONGRESS

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 101) authorizing the revision and printing of the Senate Manual for the use of the 88th Congress, which was placed on the calendar.

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

HELEN M. JOHNSON

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 102) to pay a gratuity to Helen M. Johnson, which was placed on the calendar.

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

SON RANKINS

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 103) to pay a gratuity to Son Rankins, which was placed on the calendar.

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

AMENDMENT OF SECTIONS 303 AND 310 OF COMMUNICATIONS ACT OF 1934

Mr. GOLDWATER. Mr. President, I send to the desk a bill, on behalf of myself and other Senators, which will amend the Communications Act of 1934 and allow the Federal Communications Commission to authorize amateur radio operators from other countries visiting in this country to operate their amateur gear while in this country. It would be not a license, but merely a permit.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 920) to amend sections 303 and 310 of the Communications Act of 1934, as amended, to provide that the Federal Communications Commission may, if it finds that the public interest, convenience or necessity may be served, issue authorizations, but not licenses, for alien amateur radio operators to operate their amateur radio stations in the United States, its possessions and the Commonwealth of Puerto Rico provided there is in effect a bilateral agreement between the United States and the alien's government for such operation by U.S. amateurs on a reciprocal basis, introduced by Mr. GOLDWATER (for himself, Mr. ALLOTT, Mr. BARTLETT, Mr. BAYH, Mr. BENNETT, Mr. BOGGS, Mr. CURTIS, Mr. HAYDEN, Mr. HRUSKA, Mr. LAUSCHE, Mr. METCALF, Mr. MOSS, Mrs. NEUBERGER, Mr. RANDOLPH, Mr. SCOTT, Mr. SPARKMAN, Mr. TOWER, Mr. YARBOROUGH, Mr. MCINTYRE, Mr. DOMINICK, Mr. CLARK, Mr. HUMPHREY, and Mr. FONG), was received, read twice by its title, and referred to the Committee on Commerce.

IMPORTS OF CANADIAN LUMBER

Mr. MAGNUSON. Mr. President, last fall the Senate Commerce Committee held a series of hearings in Washington, Oregon, Idaho, and Alaska, in regard to the lumber situation as it directly relates to imports of lumber from Canada and their effect on the U.S. market and U.S. lumber producers. As a result of the hearings, several actions were taken by the President of the United States and by certain Government agencies; but the principal objective was to attempt—on petition by the lumber interests—to have the Tariff Commission establish a temporary quota or at least an increase in the tariff on Canadian lumber entering the United States and its markets, particularly the eastern market.

Over a period of many weeks the Tariff Commission held numerous hearings and heard many witnesses. Recently the Tariff Commission finally ruled. It denied that the President or various governmental groups had a right to take action in connection with that tariff.

The Senate Commerce Committee has had ready for many days, following the hearings, certain bills, for introduction, in lieu of the desired action by the Tariff Commission. The bills cover many of the facets of this very serious problem.

Mr. President, on behalf of the Senators who held the long hearings which culminated in the preparation of these bills, I introduce them at this time, for appropriate reference.

Let me say that I believe that the Senator from Idaho [Mr. JORDAN] is about to introduce some other bills which relate to this matter. Those of us who sponsor the bills I am introducing at this time wish to join the Senator from Idaho in his efforts, and we hope he will join us in ours. The bills I am introducing are

the result of the committee's hearings and consideration. I believe it well that both those of us who sponsor these bills and the Senator from Idaho [Mr. JORDAN] proceed at this time to call attention in this way to this very serious problem. I assure him that the members of the Commerce Committee are wholeheartedly with him. Some of the bills may involve duplication; but, if so, we shall work out that situation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my introduction of these bills, an editorial from the Seattle Times of February 18.

The PRESIDING OFFICER. The bills and joint resolution will be received and appropriately referred; and, without objection, the editorial will be printed in the RECORD.

The bills and joint resolution, introduced by Mr. MAGNUSON, were received, read twice by their titles, and referred, as indicated:

To the Committee on Agriculture and Forestry:

S. 921. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773, 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; and

S. 922. A bill to establish in the Department of Agriculture an office for two additional Assistant Secretaries, one of whose prime responsibilities shall be forest resources, and for other purposes.

To the Committee on Banking and Currency:

S. 923. A bill to amend the National Housing Act, as amended (48 Stat. 1246, 12 U.S.C. 1701), to require the use of domestically grade-marked lumber and wood products in the construction of housing federally financed and/or federally insured, and for other purposes.

To the Committee on Finance:

S. 924. A bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin; and

S.J. Res. 50. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber.

To the Committee on Commerce:

S. 925. A bill to amend section 203(b)(6) of the Interstate Commerce Act, as amended, so as to limit the application of the exemptions provided therein, and for other purposes; and

S. 926. A bill to repeal section 303(b) of the Interstate Commerce Act, as amended, relating to the water-carrier bulk commodity exemption, and for other purposes.

The editorial presented by Mr. MAGNUSON is as follows:

OTHER MEANS TO LUMBER RELIEF

West coast lumbermen have lost their battle for mandatory quotas on Canadian lumber imports. But at least the rejection of the American lumbermen's plea by the Tariff Commission was not unexpected.

The challenge now is to seek relief for the hard-pressed lumber industry in other directions.

What we said in these columns last October 1 is more than ever applicable today. The Times said then of the case before the Tariff Commission:

"It would be a mistake either to count upon a favorable decision or to assume that if the decision is favorable, efforts on other governmental fronts to ease lumber's plight can be relaxed.

"The pressure must be maintained both in Congress and on the executive branch."

The Tariff Commission heard that factors other than American trade policy are responsible for the decline of the softwood lumber industry in the West.

Industry officials have been saying all along that domestic laws and regulations imposed by their own Government are among the key factors.

These include the Jones Act requirement that American west coast lumbermen who ship their products to the Atlantic market by sea must use costly American ships while the Canadians can invade the same market in less-costly foreign vessels.

The unfavorable Tariff Commission decision increases the responsibility of President Kennedy to take meaningful action on the lumber aid program he promulgated with great fanfare last July.

We would hope that the President is eager to refute the cynics who viewed his lumber aid program as an election year gesture.

One facet of the Kennedy program consists of efforts to convince the Canadians that they should impose a voluntary quota on their lumber exports to this country. The surplus of marketable lumber caused by the October 12 windstorm has created speculation that the Canadians might now be interested in a voluntary quota as a means of self-protection.

Certainly the administration should seek further Canadian-American talks on the lumber import problem at the earliest possible date.

And new efforts should be made in Congress to solidify and strengthen the lumber bloc that was created in the 1962 congressional session. This union of western and southern Congressmen can be effective both as a legislative team and as a means of influencing the White House and the executive departments.

It should be kept in mind that the lost case before the Tariff Commission was but one of a number of approaches to the problem of lost lumber markets in the East.

PROPOSED LEGISLATION TO AMEND THE MERCHANT MARINE ACT OF 1936

Mr. MAGNUSON. Mr. President, I am introducing, by request of the Nation's subsidized steamship lines, two bills which were before the Committee on Commerce during the 87th Congress, were reported favorably by the committee and passed by the Senate, but too late in the session for final action by the House.

One bill would permit U.S. owners of vessels built with construction subsidy to secure Government war-risk insurance coverage in the same amounts available to foreign owners of comparable vessels built in foreign yards without subsidy. Present law is unduly restrictive in such respect, U.S. ship operators contend.

The other bill would give owners of U.S.-flag vessels requisitioned for use by the Government in time of war or emergency priority toward reacquiring their vessels when the Government no longer has need of them. The many new vessels being put into service now by U.S. operators generally are built to serve the needs of particular trade routes. The owners believe, therefore, that the interests of our country's shipping and commerce would be best served by having the vessels in the hands of operators serving the particular routes for which the vessels were designed.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, and referred to the Committee on Commerce, as follows:

S. 927. A bill to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war-risk insurance issued under the provisions of such title; and

S. 928. A bill to amend section 802 of the Merchant Marine Act, 1936, as amended, to provide that owners of vesels requisitioned by the United States shall be accorded preference toward reacquiring these vessels when they can be released by the Government, and for other purposes.

PROTECTION OF CONSTITUTIONAL RIGHTS OF CERTAIN INDIVIDUALS

Mr. ERVIN. Mr. President, the leadership which President Kennedy showed in his message to Congress several days ago concerning the administration's program for the mentally ill was most gratifying. There is much to recommend his bold action in this neglected area. However, there is another facet of the problem not mentioned by the President that the Subcommittee on Constitutional Rights has been considering for some years. This study concentrated on the constitutional rights of the mentally ill rather than their treatment as such.

The subcommittee's preliminary investigation has now been completed; and during the last session I offered a bill, S. 3261, to protect the rights of the mentally ill in the District of Columbia. Although the measure would apply only to commitment procedures for St. Elizabeths Hospital here in Washington, I should hope that, if adopted, it would serve as a model for the States. Unfortunately, hearings on the measure were not completed, and no action was taken on the bill due to other pressing business of the Senate.

Today I am introducing what is essentially the same bill because I feel that the need for legislation to protect the rights of the mentally ill grows increasingly important as increasingly large numbers of persons are afflicted with emotional illnesses.

The National Institute of Mental Health annually reports increases in mental hospital admissions; and, according to medical prognosticators, the mounting stresses of our modern society portend even greater increases in the future. This forewarning is applicable to every American household.

Mental illness does not choose its victims by social class, religious affiliation, or racial origin. In that respect, it is the same as any physical ailment. It differs in that it often renders one incapable of rational judgment and of conforming of the discipline patterns of society. This difference has been reason enough to physically separate the mentally ill from society; but this difference should not be reason enough for society to separate them from fundamental ideals of justice and from their inalienable rights as citizens.

Fortunately our society has been experiencing a revolution in attitude respecting the mentally ill. This revolution, for the most part, has been brought about by the great advances made in medical science. This success has offered us the promise that one day we shall consider emotional illnesses and cures for them with the same regard as the physical illnesses.

Just as we are in a period of revolution respecting medical treatment of mental illnesses, we are likewise experiencing a revolution respecting the social status of the mentally ill. For too many years they were treated as creatures to be feared because of the lack of understanding of their malady. Knowledge of the mind is providing us with this understanding, and the fear is being removed.

Unfortunately, but understandably, the old fears were reflected in the laws governing the mentally ill. They were shut away in institutions similar to our penal institutions. Prevailing attitudes caused them to be treated as criminals in most respects. They were picked up by arresting officers, transported in a paddy wagon used for criminals, charged with mental illness, retained in jail, then committed to an institution. Once inside the institution, ostensibly for treatment, they were immediately deprived of most of their rights—often locked up, straitjacket, regimented, and silenced. When cured, they were paroled, then released and had to apply to the courts in order to regain their legal rights.

Upon being institutionalized, it was generally assumed that the individual was incapable of caring for himself and even less so of handling his property and other affairs. Consequently, individuals were automatically divested of their rights respecting their property and were considered total incompetents. We know now that the variety of mental illnesses requires less rigid standards in order to achieve fair and just administration of the laws that may be necessary to assure protection of their property.

It is now necessary to reform our commitment laws to reflect our new understanding of the nature of mental illness. The fact of mental illness should not reduce our responsibility to see that every individual's rights are fully protected according to the intent and spirit of our Constitution.

Therefore, Mr. President, on behalf of myself and my colleagues, Senators JOHNSTON, MCCLELLAN, and HRUSKA, I introduce for appropriate reference this bill to bring the mental illness laws of the District of Columbia in line with modern scientific and legal knowledge in order to better protect the constitutional rights of the individuals involved.

During the subcommittee's hearings in 1961, a wealth of valuable information and recommendations were received. It was on the basis of these recommendations and others obtained from various organizations that this bill is drafted.

I would hope that with the passage of any new legislation, Congress will expressly repeal those sections of the Code that would no longer apply to our commitment procedures, and collect and carry over with this legislation the remaining consistent provisions.

Mr. President, I ask unanimous consent to have the text of the bill, an analysis of it, and a comparison of it with titles 21 and 32, the pertinent titles of the District of Columbia Code, reprinted at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, analysis, and comparison will be printed in the RECORD.

The bill (S. 935) to protect the constitutional rights of certain individuals who are mentally ill, to provide for their care, treatment, and hospitalization, and for other purposes, introduced by Mr. ERVIN (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

SHORT TITLE

This Act may be cited as the "Hospitalization of the Mentally Ill Act".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "mental illness" means any psychosis or other disease which substantially impairs the mental health of an individual (but shall not include epilepsy, alcoholism, drug addition, or mental deficiency);

(2) the term "mentally ill individual" means any individual who has a mental illness;

(3) the term "physician" means an individual licensed under the laws of the District of Columbia to practice medicine;

(4) the term "private hospital" means any nongovernmental hospital or institution, or part thereof, in the District of Columbia, equipped to provide inpatient care and treatment for any individual suffering from a physical or mental illness;

(5) the term "public hospital" means any hospital or institution, or part thereof, in the District of Columbia, owned and operated by the Government of the United States or of the District of Columbia, equipped to provide inpatient care and treatment for any individual suffering from a physical or mental illness; and

(7) the term "administrator" means an individual in charge of a public or private hospital or his delegate.

VOLUNTARY HOSPITALIZATION

SEC. 3. (a) Any individual who has a mental illness, or who has symptoms of a mental illness, may apply to any public or private hospital in the District of Columbia for admission to such hospital as a voluntary patient for the purposes of observation, diagnosis, or care and treatment of such illness. The administrator of a private hospital may, and the administrator of a public hospital shall, upon the request of any such individual twenty-one years of age or over (or in the case of any individual under twenty-one years of age, upon a request made by his spouse, parent, or legal guardian), admit such individual as a voluntary patient to such hospital for observation, diagnosis, or care and treatment of such illness in accordance with the provisions of this Act.

(b) Any voluntary patient admitted to any hospital pursuant to this section shall, if he is twenty-one years of age or over, be entitled at any time to obtain his release from such hospital by filing a written request with the administrator thereof. The administrator shall, within a period of forty-eight hours after the receipt of any such request (unless such period shall expire on a Saturday, Sunday, or legal holiday, then not later than noon of the next succeeding day which is not a Saturday, Sunday, or legal holiday), release the voluntary patient making such request. In the case of any voluntary patient under the age of twenty-one years, the administrator shall immediately release such patient upon the written request of his spouse, parent, or legal guardian. The administrator may release any voluntary patient hospitalized pursuant to this section whenever he determines that such patient has recovered or that his continued hospitalization is no longer beneficial or advisable.

EMERGENCY HOSPITALIZATION

SEC. 4. (a) Any duly accredited officer or agent of the Department of Public Health of the District of Columbia, or any officer authorized to make arrests in the District of Columbia, who has reason to believe that an individual is mentally ill and, because of such illness, is likely to injure himself or others if he is allowed to remain at liberty may, without a warrant, take such individual into custody, transport him to a public or private hospital, and make application for his admission thereto for purposes of emergency observation and treatment. Such application shall reveal the circumstances under which the individual was taken into custody and the reasons therefor.

(b) Subject to the provisions of subsection (c) of this section, the administrator of any private hospital may, and the administrator of any public hospital shall, admit and detain for purposes of emergency observation and treatment any individual with respect to whom such application is made, if such application is accompanied by a certificate of a physician on duty at such hospital stating that he has examined the individual and is of the opinion that he has symptoms of a mental illness and, because of such illness, is likely to injure himself or others unless he is immediately hospitalized. Not later than twenty-four hours after the admission pursuant to this section of any individual to a hospital, the administrator of such hospital shall serve notice of such admission, by registered mail, to the spouse, parent, or legal guardian of such individual and to the Commissioners of the District of Columbia.

(c) No individual admitted to any hospital for emergency observation and treatment under subsection (b) of this section shall be detained in such hospital for a period in excess of twenty-four hours from the time of his admission unless the administrator of such hospital has, within such twenty-four hour period (unless such period shall expire on a Saturday, Sunday, or legal holiday, then not later than noon of the next succeeding day which is not a Saturday, Sunday, or legal holiday), filed a written petition with the United States District Court for the District of Columbia for an order authorizing the continued hospitalization of such individual for emergency observation and treatment.

(d) The court shall, within a period of twenty-four hours after the receipt by it of such petition (unless such period shall expire on a Saturday, Sunday, or legal holiday, then not later than noon of the next succeeding day which is not a Saturday, Sunday, or legal holiday) either order the hospitalization of such individual for emergency observation and treatment for a period of not to exceed ninety-six hours from the time such order is entered, or order his immediate release. In making its determination, the court shall consider the testimony of the agent or officer who made the application under subsection (b) of this section requesting the hospitalization of such individual, and the certificate of the examining physician which accompanied it.

(e) The administrator of any hospital in which an individual is hospitalized for emergency observation and treatment under a court order entered pursuant to subsection (d) of this section shall, within forty-eight

hours after such order is entered, have such individual examined by a physician. If the physician, after his examination, certifies that in his opinion the individual is not mentally ill to the extent that he is likely to injure himself or others if allowed to remain at liberty, the individual shall be immediately released. The administrator shall, within forty-eight hours after such examination has been completed, send a copy of the results thereof by registered mail to the spouse, parents, attorney, legal guardian, or other nearest known adult relative of the individual examined.

(f) Notwithstanding any other provision of this section, the administrator of any hospital in which an individual is hospitalized for emergency observation and treatment under this section may, if judicial proceedings for his hospitalization have been commenced under section 5 of this Act, detain such individual therein during the course of such proceedings.

HOSPITALIZATION UPON COURT ORDER

SEC. 5. (a) Proceedings for the judicial hospitalization of any individual in the District of Columbia may be commenced by the filing of a petition with the United States District Court for the District of Columbia by his spouse, parent, or legal guardian, by any physician, duly accredited officer or agent of the Department of Public Health, or by any officer authorized to make arrest in the District of Columbia. Such petition shall be accompanied (1) by a certificate of a physician stating that he has examined the individual and is of the opinion that such individual is mentally ill, and because of such illness, is likely to injure himself or others if allowed to remain at liberty, or (2) by a sworn written statement by the petitioner that (A) the petitioner has good reason to believe that such individual is mentally ill and, because of such illness, is likely to injure himself or others if allowed to remain at liberty, and (B) that such individual has refused to submit to examination by a physician.

(b) Within three days after the receipt by it of any petition filed under subsection (a) of this section, the court shall (1) send a copy of such petition by registered mail to the individual with respect to whom it was filed, and (2) appoint two qualified physicians who shall, within seven days after their appointment, examine, independently of each other, the mental condition of such individual. The examinations may be conducted at a hospital or other medical facility, at the home of the individual to be examined, or at any other place designated by the court. Each such physician shall, on the basis of his examination, report to the court his determinations and findings as to the mental condition of the individual examined and his need for custody, care, or treatment in a hospital.

(c) If the reports of the designated physicians are both to the effect that the individual examined is not mentally ill to the extent that he is likely to injure himself or others if he is allowed to remain at liberty, the court shall immediately terminate the proceeding and dismiss the petition. If either of such reports is to the effect that such individual is mentally ill to the extent that he is likely to injure himself or others if allowed to remain at liberty, the court shall fix a date (which shall not be less than five days nor more than fifteen days after the date such reports are filed) for a hearing on the petition, and shall give notice of such hearing to such individual and to his attorney, legal guardian, spouse, parent, or other nearest known adult relative.

(d) Any hearing held pursuant to a petition filed under subsection (a) of this section shall be conducted in as informal a manner as may be consistent with orderly procedure and in a physical setting not likely to have a harmful effect on the mental health of the individual named in such petition. In conducting such hearing, the court shall receive all relevant and material evidence which may be offered and shall not be bound by the rules of evidence. Any individual with respect to whom a hearing is held under this section shall be entitled, in his discretion, to be present at such hearing, to testify, and to present and cross-examine witnesses, but in no event shall any such hearing be concluded without the judge who is conducting such hearing first having personally observed such individual.

(e) Any individual with respect to whom a hearing is held under this section shall be represented by counsel at such hearing, and if he fails or refuses to obtain counsel, the court shall appoint counsel to represent him. Any counsel so appointed shall be awarded compensation by the court for his services in an amount determined by the court to be fair and reasonable. Such compensation shall be charged against the estate or property of the individual for whom such counsel was appointed, or against any unobligated funds of the Department of Public Health, as the court in its discretion may direct. The court shall, at the request of any counsel appointed to represent an individual in any hearing held pursuant to a petition filed under subsection (a) of this section, grant a recess in such hearing (but not for more than five days) to give such counsel an opportunity to prepare his case.

(f) If, upon completion of the hearing and consideration of the record, the court finds that such individual is mentally ill to the extent that he is likely to injure himself or others if allowed to remain at liberty, it shall order his hospitalization for an indeterminate period. However, if the court finds that such individual is not mentally ill to the extent that he is likely to injure himself or others if allowed to remain at liberty, it shall order his immediate release.

PERIODIC EXAMINATION AND RELEASE

SEC. 6. (a) Any patient hospitalized pursuant to a court order obtained under section 5 of this Act, or his attorney, legal guardian, spouse, parent, or other nearest adult relative, shall be entitled, within three months after such order and not more frequently than every six months thereafter, to request, in writing, the administrator of the hospital in which he is hospitalized, to have a current examination of his mental condition made by one or more physicians. If the request is timely it shall be granted. The patient shall be entitled, at his own expense, to have any duly qualified physician participate in such examination. In the case of any such patient who is indigent, the Department of Public Health shall, upon the written request of such patient, assist him in obtaining a duly qualified physician to participate in such examination in the patient's behalf. Any such physician so obtained shall be compensated for his services out of any funds available to such department in an amount determined by it to be fair and reasonable. If the administrator, after considering the reports of the physicians conducting such examination, determines that the patient is no longer mentally ill to the extent that he is a danger to himself or others, he shall order the immediate release of the patient. However, if the administrator, after considering such reports, determines that such patient continues to be mentally ill to the extent that he is dangerous to himself or others, but one or more of the physicians participating in such examination reports that the patient is not mentally ill to the extent that he is dangerous to himself or others, the patient may petition the United States District Court for the District of Columbia for an order directing his release. Such petition shall be accompanied by the reports of the physicians who conducted the examination of the patient.

(b) In considering such petition, the court shall consider the testimony of the physicians who participated in the examination of such patient, and the reports of such physicians accompanying the petition. After considering such testimony and reports, the court shall either (1) reject the petition and order the continued hospitalization of the patient for an indeterminate period, or (2) order the administrator to immediately release such patient.

(c) The administrator of a public or private hospital shall as often as practicable, but not less often than every six months, examine or cause to be examined each patient admitted to any such hospital pursuant to section 5 of this Act and if he determines on the basis of such examination that the conditions which justified the involuntary hospitalization of such patient no longer exist, the administrator shall immediately release such patient.

RIGHT TO COMMUNICATION AND VISITATION—EXERCISE OF CERTAIN RIGHTS

SEC. 7. (a) Each patient hospitalized in a public or private hospital pursuant to this Act shall be entitled (1) to communicate by sealed mail or otherwise with any individual or official agency inside or outside the hospital, and (2) to receive uncensored mail from his attorney or personal physician. All other incoming mail or communications may be read before being delivered to the patient, if the administrator believes such action is necessary for the medical welfare of the patient who is the intended recipient. However, any mail or other communication which is not delivered to the patient for whom it is intended shall be immediately returned to the sender.

(b) Each patient hospitalized in any public hospital for a mental illness, shall, during his hospitalization, be entitled to medical and psychiatric care and treatment. Within five days after the end of each calendar month the administrator of each public hospital shall submit to the Commissioners of the District of Columbia a report giving a detailed account of the type of medical and psychiatric care and treatment which, during such month, has been provided by such hospital to each patient hospitalized therein for a mental illness.

(c) No mechanical restraint shall be applied to any patient hospitalized in any public or private hospital for a mental illness unless the use of restraint is prescribed by a physician, and if so prescribed, such restraint shall be removed whenever the condition justifying its use no longer exists. Any use of a mechanical restraint, together with the reasons therefor, shall be made a part of the medical record of the patient. The Administrator shall make written quarterly reports to the Commissioners of the District of Columbia or their delegate of each use of a mechanical restraint, the reason for such use and the duration thereof.

(d) No patient hospitalized pursuant to this Act shall, by reason of such hospitalization, be denied the right to dispose of property, execute instruments, make purchases, enter into contractual relationships, and vote, unless such patient has been adjudicated incompetent by a court of competent jurisdiction and has not been restored to legal capacity. If the Administrator of the public or private hospital in which any such patient is hospitalized is of the opinion that such patient is unable to exercise any of the aforementioned rights, the Administrator shall immediately notify the patient's attorney, legal guardian, spouse, parents, or other nearest known adult relative of that fact.

VETERANS' ADMINISTRATION FACILITIES

SEC. 8. Nothing in this Act shall be construed to require the admission of any individual to any Veterans' Administration or

military hospital facility unless such individual is otherwise eligible for care and treatment in such facility.

UNWARRANTED HOSPITALIZATION OR DENIAL OF RIGHTS—PENALTIES

SEC. 9. Any individual who willfully causes or conspires with or assists another to cause (1) the unwarranted hospitalization of any individual under this Act, or (2) the denial to any individual of any right accorded to him under this Act, shall be punished by a fine not exceeding $5,000 or imprisonment not exceeding three years, or both.

MISCELLANEOUS

SEC. 10. Any Act or part of an Act which is inconsistent with any provision of this Act shall, to the extent of the inconsistency, cease to apply on and after the date of enactment of this Act.

The analysis and comparison presented by Mr. ERVIN are as follows:

ANALYSIS OF S. 3261

Analysis of the bill to protect the constitutional rights of certain individuals who are mentally ill, to provide for their care, treatment, and hospitalization, and for other purposes.

This bill brings up to date the District of Columbia statutes dealing with the hospitalization of the mentally ill in the areas of admission to the hospital, patient examination and release procedures and enumeration of personal rights of the patient.

Section 1 is the title for this proposal.

Section 2 defines some of the terms used in this act. The principal definition in this section is of the term "mental illness." The object of the definition is to correlate the legal meaning and the precise medical condition of the patient.

Section 3 provides that a private hospital may, and a public hospital must, admit any individual, over 21 years of age, who applies for observation, diagnosis, or care and treatment for a mental illness. It further provides that any individual who has voluntarily applied for admission should be released within 48 hours after submitting a written request for same.

This is a significant improvement over the existing procedure for admitting voluntary patients, in that it eliminates the cumbersome conditions that unduly restrain the categories of persons accepted for hospitalization. Some of these conditions are: sufficient mental competency to make an application; certification and approval of application by the Department of Public Health; a guarantee that the hospital will be reimbursed for cost of care; residential requirements and the ever-present threat of revocation of certification by the Department of Public Health.

Section 4 (a) and (b) permits an authorized arresting officer to seize any individual believed to be mentally ill to the extent that he may cause injury to himself or others, and to transport him to a public or private hospital for observation and treatment. Such admissions must be accompanied by the officer's statement of circumstances and reasons for the seizure; a certificate from the admitting physician stating that an immediate examination has been made and that the patient needs hospitalization to prevent injury to himself or others. Notice of admission is required to be by registered mail to the nearest relative within 24 hours of the hospitalization.

Section 4 (c) and (d) spells out the conditions and the time regulation by which a hospital may detain an individual for emergency observation. It specifies that within 24 hours of admission the Administrator must file a petition with the U.S. District Court for the District of Columbia for an order authorizing the continued hospitalization of the individual. Following receipt of the petition, the court, within 24 hours, is required to reply with an order of detainment for not more than 96 hours or an order for immediate release.

Section 4 (e) and (f) concerns the disposition of the individual following the court order of detainment. Requires medical examination within 48 hours of the court order for detainment. If found not to be mentally ill he is released immediately. If found to be mentally ill, the patient's nearest relative, guardians, etc., must be notified within 48 hours. Continued detention of the individual may be effected only if proceedings for judicial hospitalization are initiated.

Section 5 deals with procedures for hospitalization upon court order which may be commenced by the filing of a petition by: the spouse, parent, legal guardian, any physician, officer or agent of the Department of Public Health, or officer authorized to make arrest. The petition must be accompanied by physician's certificate of examination and by petitioner's sworn written statement that the individual is mentally ill and likely to injure himself or others if released and that he has refused examination by a physician.

Section 5 (b) and (c) requires the court to send, within 3 days, a copy of the petition to the individual concerned and appoint two physicians to examine independently of each other the mental condition of the individual at a court approved site. Each physician is required to report to the court the findings of his examination. If each report shows the individual not to be dangerous to himself or others, the court must terminate proceedings. If, however, either report indicates the individual is dangerous, the court shall fix a date, within 5 to 15 days of the report, for a hearing. It provides also for notice to the appropriate individuals.

Section 5 (d), (e) and (f) outlines the conduct of the hearings. It provides for: (1) a proper setting for the hearings; (2) permits the court to receive evidence; (3) permits the individual to be present at hearings to testify, to present and cross-examine witnesses; (4) requires the judge to personally observe the individual; (5) requires representation by counsel and directs the court, upon findings, to order hospitalization for an indeterminate period or order release of the individual in accordance with the findings in the proceedings.

Section 6 (a), (b), and (c): This section entitles the patient to request a mental examination within 3 months after the order and each 6 months thereafter with his personal physician participating in the examination. If the reports of the physicians are favorable, the Administrator, after considering each report, shall order the release of the patient. If any of the reports indicate the continued existence of the illness, but one or more indicates the illness no longer exists, the patient may file a petition in District Court for his release based on the favorable report of the examination. The court may reject the petition and order the continued hospitalization of the patient, or order the Administrator to immediately release such patient.

The Administrator shall examine each patient not less often than every 6 months and when it is determined that the patient is no longer ill, he may order his release.

Section 7 enumerates for the first time in the District of Columbia law, the personal rights of the patient.

Section 7(a) entitles the patient to communicate, by sealed mail, with individuals and officials and to receive uncensored mail from his attorney and physician. All other mail is subject to the scrutiny of the Administrator. However, any mail that is forbidden the patient, must be returned immediately to the sender.

Section 7(b) entitles the patient to adequate medical and psychiatric care and treatment, and requires that a record be kept of the type of medical and psychiatric care and treatment administered. These records are to be filed monthly with the Commissioners of the District of Columbia.

Section 7(c) forbids the use of mechanical restraints except as prescribed by a physician, whose reasons therefore shall be made a part of the patient's medical record to be forwarded quarterly to the Commissioners of the District of Columbia.

Section 7(d) gives the patient the right to dispose of property, execute instruments, make purchases, enter into contractual re-

COMPARISON OF PROPOSED BILL WITH TITLES

I. COMMITMENT PROCEDURES

A. Voluntary

SEC. 3(a). The Administrator of a public hospital must, and of a private hospital may, admit patient for observation on his request. For individual under 21 years of age, the request must be made by spouse, parents or guardian.

SEC. 3(b). Voluntary patient must be released within 48 hours of filing written request. If individual is under 21, such request must be made by spouse, parent, or legal guardian, and release is immediate. Administrator may also release when he considers hospitalization no longer necessary.

B. Involuntary

1. Emergency

SEC. 4(a). Arrest without warrant may be made by agent of Department of Public Health or any officer authorized to make arrests in the District of Columbia if he believes the person likely to injure himself or others. Arresting officer must transport to the hospital and make application for admission of patient, stating circumstances of custody.

SEC. 4(b). Physician on duty at time of application has to certify that he thinks the person is likely to injure himself or others if not immediately hospitalized. Within 24 hours of admission notice must be given by registered mail to spouse, parent, or legal guardian.

SEC. 4(c). To detain more than 24 hours a petition must be filed during this period with the U.S. District Court for the District of Columbia.

SEC. 4(d). Within 24 hours of receiving this petition, the court must either order the person's release or order a period not exceeding 96 hours for emergency detention and observation.

SEC. 4(e). Within 48 hours of the court order, the individual must be examined by a physician. If the physician certifies that the patient is likely to injure himself or others, the administrator must within 48 hours of this send notice by registered mail to the patient's spouse, attorney, legal guardian, or nearest relative.

SEC. 4(f). If commitment procedures have been initiated, the hospital can detain until hearings take place as under section 5.

lationships, and vote, unless the patient has been adjudged by a court to be incompetent.

Section 8 exempts application of this act to admissions of individuals, unless otherwise eligible, to Veterans' Administration or military hospitals.

Section 9 provides for fine and imprisonment of any individual who willfully causes or assists in an unwarranted hospitalization of another individual.

Section 10 provides that any inconsistency of present laws with the provisions of this act no longer applies after enactment of this act.

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21 AND 32 OF THE DISTRICT OF COLUMBIA CODE

D.C.C. 32–412: There must be written application by a patient competent to make such application. If person is under 21, the application must be made by parent, legal guardian, or legal representative. (1948 act.)

D.C.C. 32–417b: Superintendent of St. Elizabeths may at his discretion admit such a person for a period not exceeding 30 days (1949).

D.C.C. 32–413, 32–417b: A voluntary patient must be released within three days after filing written application with Administrator. (If under 21, application by parent, legal guardian, or legal representative.) However, if during this period a petition for commitment is filed or if the Board of Public Welfare files such a petition or writ de lunatico inquirendo accompanied by notice from the Superintendent of St. Elizabeths Hospital that the patient is of unsound mind and should not be allowed to remain at liberty, he may be detained until final judgment by the court. The notice and petition from the Board of Public Welfare shall be referred to the Commission on Public Health and shall be sufficient to start proceedings before the Commission (1948).

D.C.C. 21–326: Any officer in the District of Columbia can arrest without warrant any person in a public place that he believes to be of unsound mind. Arresting officer must immediately file an affidavit with police that he believes that the individual is incapable of taking care of himself and that he will jeopardize the public peace or render the commission of crime probable. The police have the duty to notify a responsible person or the spouse of the individual about the detention (1904).

D.C.C. 21–327: Provides for arrest without warrant at other than public places of indigent persons alleged to be of unsound mind or of any insane person with dangerous or homicidal tendencies. Two District of Columbia residents must file affidavits with the police saying that the individual is incapable of managing his own affairs, jeopardizes the public peace and makes commission of crime probable. Two physicians must also examine the person and certify him to be insane or of unsound mind (1904).

D.C.C. 21–332 permits such persons to be discharged upon bond payable to the United States with condition to restrain and take care of patient not charged with a breach of peace until the patient is restored to sanity (1936).

D.C.C. 21–310: Provides for starting commitment procedures or applying for a writ de lunatico inquirendo by the person making the arrest as above, or by parent, spouse, brother, sister, committee, officer of hospital or Board of Public Welfare. Petition is to be filed with the U.S. District Court for the District of Columbia (1948).

D.C.C. 21–311: After petition as in 21–310 alleging dangerous tendencies is filed, the court may order detention for a 30-day observation period. He must be given an examination within 5 days of admittance to St. Elizabeths Hospital. Persons arrested as provided in 21–326 and 21–327 shall be detained at Gallinger Municipal Hospital until the petition is filed as provided in 21–310. Petition must be filed within 48 hours of original arrest; otherwise individual must be discharged. On basis of petition, the court may order detention for a period not exceeding 30 days. (Compare with D.C.C. 32–417 below.)

If a petition for commitment or a writ de lunatico is filed with the equity court, it shall be referred to the Commission for report and recommendation within a period not exceeding 7 days; but this time can be extended if the court finds it necessary. In its hearings on the individual's sanity, the Commission shall listen to the alleged insane and other competent witnesses. The individual has the right to counsel during these hearings. If the Commission finds him not sane, it shall apply to the court for a hearing. The Commission is responsible for giving written notice of the hearing to the individual at least 5 days before the hearing. Such notice is also to be sent to the applicant or spouse or nearest relative if applicant is not spouse or relative. Right to jury and counsel will be discussed below (1938, amended 1948).

D.C.C. 21–315: If alleged insane is then found to be insane, the judge may commit him as he believes is in the best interests of the public and of the insane person (1939).

D.C.C. 21–310: Petitions are filed as discussed above.

D.C.C. 21–311: Hearings are held by the Commission in accordance with this section as discussed above.

D.C.C. 21–312: A copy of the report and recommendation of the Commission is to be served on the alleged insane, his guardian or attorney with notice that he has 5 days to demand a jury trial (see VII below). If jury trial is demanded, trial is calendered for hearing not more than 10 days after demand (1939).

D.C.C. 21–314: If there is no demand for jury trial, sanity is determined by the judge and the judge may commit according to D.C.C. 21–315 (1939).

D.C.C. 21–316: Recommendations of the Commission (see D.C.C. 21–312 above) must be unanimous by the three members sitting. If they cannot agree, a report is filed with the court, and a hearing is held for judicial determination of sanity. Recommendations must be in the form of either (1) advice to dismiss petition; (2) further temporary confinement; or (3) confinement with recommendations as to payment of expenses according to results of investigations of patient's background (1939).

D.C.C. 32–417: (Compare with 21–326 and 21–327 above.) Provides for commitment by specially designated commissioners of the U.S. District Court after a hearing with testimony of two witnesses that person is of unsound mind and two physicians, one of whom is skilled in diagnosis of mental disorders. The doctors must certify that the person is of unsound mind and should be restrained for his own safety and for the preservation of the peace. Such confinement shall not exceed 30 days. The head of the agency where the person is apprehended must notify the person's spouse or near relative if the address is known (1939).

D.C.C. 32–417a: If an immediate hearing as in 32–417 cannot be had, the person can be detained for 72 hours pending the hearing. Upon certification of the superintendent that it would be unsafe to hold the hearing elsewhere, such hearing shall be at St. Elizabeths Hospital (1949).

COMPARISON OF PROPOSED BILL WITH TITLES 21 AND 32 OF THE DISTRICT OF COLUMBIA CODE

B. Involuntary—Continued

2. Hospitalization on court order

SEC. 5(a) For confinement there is still the requirement that the person be likely to injure himself or others. The Petition must be filed with the U.S. District Court for the District of of Columbia by the spouse, parent, guardian, officer of the Department of Public Health or authorized arresting officer. The petition must be acompanied (1) by the certificate of the physician that the individual is dangerous or (2) by a written statement by the petitioner that he believes such person likely to injure himself or others and that the patient has refused to submit to examination by a physician.

SEC. 5(b). Within three days after receipt of this petition the court shall send a copy to the person by registered mail. The court shall also appoint two physicians who then examine the person within seven days and report their findings to the court.

SEC. 5(c). If both physicians report the person not likely to injure himself or others, the petition is to be dismissed. If one report states he is dangerous, the court shall set a date for the hearing 5–15 days after the filing of the reports. Notice shall be given to the individual, his attorney, guardian, spouse, parent, or nearest known relative.

SEC. 5(d). The hearings are to be held in a setting not likely to be adverse to the patient's mental health. The court shall not be bound by rules of evidence. The individual is permitted to be present, testify, present and cross-examine witnesses. The judge must observe the individual before the conclusion of the hearings.

SEC. 5(e). Right to counsel. (See below section VIII.)

SEC. 5(f). If after the hearing the court finds the person likely to injure himself or others, he shall be committed for an indeterminate period. Otherwise he shall be immediately released.

COMPARISON OF PROPOSED BILL WITH TITLES 21 AND 32 OF THE DISTRICT OF COLUMBIA CODE

B. Involuntary—Continued

	D.C.C. 32–417d: If the superintendent of St. Elizabeths finds the person to be of sound mind, he shall immediately release him. If he finds him to be of unsound mind, he shall return the patient to his State or relatives if practicable. Provides for judicial determination of sanity and appointment of committee for patient upon application of the Secretary of Health, Education, and Welfare or any interested party (1949, amended 1953).
II. PERIODIC EXAMINATION AND RELEASE SEC. 6(a). Patient is entitled upon his, his sponsor's, attorney's, and nearest adult relative's written request to have an examination of the patient's mental condition by a physician within 3 months after the order of hospitalization and as frequently as every 6 months thereafter. The patient may in addition have his own physician participate in the examination. If the patient is indigent, the Department of Public Health, after written request for it, shall assist in obtaining and shall pay the fee for this extra physician. If on the basis of the physician's report the administrator no longer believes the patient dangerous, he shall order the patient immediately released. If the administrator still believes the patient dangerous, but one of the physicians' reports is to the effect that he is no longer dangerous, the patient may petition the U.S. district court for his release. The petition shall be accompanied by the reports of the physicians. SEC. 6(b). The court shall consider the testimony and reports of the examining physicians. The court shall then order either the continued hospitalization or release of the patient. SEC. 6(c). The administrator of the hospital shall see that the patient has an examination at least every 6 months. If from these reports he believes the patient no longer dangerous, he shall order his immediate release.	D.C.C. 21–325: Provides that none of these statutes shall deprive the alleged insane person of existing remedies for release or proof of sanity (1939). D.C.C. 21–320: Provides procedure for restoring to the status of sound mind a person paroled or released from the hospital. There are no provisions corresponding exactly to those of the proposed act (1939).
III. RIGHTS TO COMMUNICATIONS AND VISITATION *Exercise of certain rights* SEC. 7(a). Entitles each patient to (1) communicate by sealed mail with any individual or official agency, and (2) to receive uncensored mail from his attorney or physician. SEC. 7(b). Entitles each patient to medical and psychiatric treatment. Each month a report of treatment shall be submitted to the Commissioners of the District of Columbia. SEC. 7(c). Allows the use of mechanical restraints only when prescribed by a physician. Any use of mechanical restraint must be described in quarterly reports to the Commissioners of the District of Columbia. SEC. 7(d). Entitles each patient to dispose of property, execute instruments, make purchases, contract, and vote unless patient has been adjudicated incompetent by the court and has not been restored to legal capacity. If the hospital administrator believes the patient incapable of exercising these rights, he shall notify the patient's attorney, guardian, spouse, parents, or nearest known adult relative.	No specific provisions defining rights. Processes for commitment are interwoven with those for filing writ de lunatico inquirendo, leaving the situation extremely unclear.
IV. VETERANS' ADMINISTRATION FACILITIES SEC. 8. Provides that nothing in this act shall be construed to require the admission of any individual to any VA or military hospital facility unless such individual is otherwise eligible for care and treatment in such facility.	D.C.C. 21–315: The judge may commit to a Veterans' Administration facility if the administration files a certificate with the Commission stating that he is eligible for admittance. D.C.C. 21–316: Provides for recommendation of the Commission to the court on the basis of the certificate from the Veterans' Administration (1939).
V. UNWARRANTED HOSPITALIZATION OR DENIAL OF RIGHTS—PENALTIES SEC. 9. Provides a penalty of up to $5,000 and/or 3 years imprisonment for any person willfully causing or conspiring to cause the unwarranted hospitalization or denial of any right to any individual under this act. VI. MISCELLANEOUS SEC. 10. Provides that any act or part of any act which is inconsistent with any provision of this act shall, to the extent of the inconsistency cease to apply on and after the date of enactment of this act. VII. RIGHT TO JURY TRIAL No specific mention of jury trial is made. Therefore, sections 21–311, 21–312, and 21–313 of the D.C. Code continue in effect. VIII. RIGHT TO COUNSEL SEC. 5. (e) In hearings on judicial hospitalization the alleged insane shall be represented by counsel. If the individual does not obtain counsel, the court shall appoint counsel for him. Provides for granting of recess in hearings not to exceed 5 days to allow appointed counsel to prepare his case. Counsel is to be compensated out of the individual's estate or out of the unobligated funds of the Board of Public Welfare, at the court's discretion.	

A BILL TO AMEND THE TWIN BUTTES RESERVOIR ACT

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill relating to the Twin Buttes Reservoir, near San Angelo, Tex.

Mr. President, this bill will amend the act authorizing the construction of the Twin Buttes Reservoir near San Angelo, Tex., in respect to the recreational facilities to be built there. Under this amendment, the Secretary of Interior is authorized to acquire lands and construct public recreational facilities at the reservoir at a cost not in excess of $1,700,000, the cost to be shared with the San Angelo Water Supply Corp. I am pleased to join with the distinguished Representative from the 21st Congressional District of Texas in sponsoring this legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 937) to amend the act of August 16, 1957 (71 Stat. 372), authorizing the construction of the San Angelo Federal reclamation project, Texas, and for other purposes, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

D.C.C. 21–324: Provides a penalty not exceeding $500 and/or 3 years' imprisonment for knowingly submitting false petition or affidavit (1939).

No specific comparable provision found.

D.C.C. 21–311: If demand for jury trial is made, the hospital superintendent shall see that the patient has the opportunity to appear at the hearings either personally or by attorney. However, if the superintendent certifies that it would be unsafe or prejudicial to the patient's health, the patient's presence shall not be required (1938).

D.C.C. 21–312: The alleged insane person, his guardian ad litem, or his attorney has 5 days after the receipt of the Commission's report to demand a jury trial (1939).

D.C.C. 21–313: Provides for the jurors to be impaneled from those in attendance upon U.S. District Courts for the District of Columbia (1939).

D.C.C. 21–308: The court has the power to appoint an attorney or guardian ad litem who will be compensated out of the alleged insane person's estate or out of the funds of the Commission, as the court directs. This applies to hearings before the Commission as well as before the court (1938, amended 1939, 1948, 1949).

D.C.C. 21–311: Makes the same provision for counsel as above in D.C. 21–308 (1938).

D.C.C. 21–312: If commitment is sought wholly or in part at public expense and the person is not represented by counsel of his own choice, he shall be represented by the Corporation's counsel (1939).

MORATORIUM ON RAILROAD MERGERS

Mr. KEFAUVER. Mr. President, I send to the desk, for appropriate reference, on behalf of myself and Senators MANSFIELD, HUMPHREY, METCALF, CHURCH, YARBOROUGH, DOUGLAS, MCCARTHY, and MORSE, a bill to amend section 7 of the Clayton Act to give full force and effect to the operation of the provisions of that section applicable to certain railroad consolidation and mergers until December 31, 1964, and for other purposes.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. KEFAUVER. I yield.

Mr. CURTIS. I wish to point out that the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], is unable to be here at this moment. He has no objection to the introduction of the bill, of course. He wanted to be heard on the matter of reference to committee.

I wonder if the distinguished Senator from Tennessee would have any objection to having his bill lie on the desk until the Senator from Illinois [Mr. DIRKSEN] can be present at a later time and make his statement on reference?

Mr. KEFAUVER. I ask unanimous consent that the bill lie on the desk for 1 week so that other Senators who may wish to do so may cosponsor it, and to give the Senator from Illinois an opportunity to discuss the matter of reference.

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

Mr. CURTIS. I thank the Senator.

Mr. KEFAUVER. The bill seeks a limited moratorium on major rail merger decisions so that the Congress, the administration, and the Interstate Commerce Commission can have the necessary time to continue their investigations and studies into the impact of this proposed concentration in the rail industry, and can have the opportunity to consider new legislation establishing the degree to which competition and economic balance should be preserved in the railroad industry. In addition, it is my intention that this bill would give further time for a more intensive investigation into what I believe to be the demonstrated inability of the Interstate Commerce Commission to render adequate legislative judgments with respect to these great social and economic issues.

What I propose is an amendment to section 7 of the Clayton Act, and the same language which was approved by a majority of the Senate Antitrust and Monopoly Subcommittee last year, except that it extends the moratorium period to December 31, 1964. Very briefly, the bill would provide for a temporary prohibition of rail merger approvals by the Interstate Commerce Commission involving any railroad with total assets of more than $200 million and which was not in involuntary bankruptcy, where such merger would substantially lessen competition or tend toward monopoly, except where the merger is necessary and essential to the maintenance of adequate railroad transportation facilities.

Thus, under this bill smaller railroads would not be denied the opportunity to merge into stronger, more competitive systems, and any railroad would be permitted to merge if the merger met the tests of section 7 of the Clayton Act. Furthermore, any road in bankruptcy reorganization could merge without delay under the bill.

Mr. President, this is a reasonable bill. It permits the strengthening of smaller roads whose efficiencies may be improved by combining; it takes care of those railroads in dire financial trouble; and it prevents our moving ahead too rapidly on the larger monopolistic mergers before we find out where we are going.

Now, why do we need this legislation? What is happening with respect to this field of regulation which demands immediate congressional inquiry and a halt to the present proposed restructuring of our rail plant?

In the first place, over 75 percent of the assets of the American railroads are involved in merger transactions of one kind or another. As you know, Mr. President, the roads are permitted under present law to come in voluntarily with their own merger plans for approval by the Commission—there is no positive governmental planning, as such. Instead of merging the smaller railroads into the existing competitive trunklines, and thereby strengthening our rail network into balanced competitive systems, the industry has presented the Commission with a series of monopolistic plans which combine the profitable and wealthy roads and ignore the weak and unhealthy ones, and in particular, reduce to a shadow rail competition in vital industrial and agricultural areas of the country. The admitted purpose of these monopolistic plans is to scrap facilities, lay off workers, abandon and eliminate trackage, reduce schedules, and in general contract our rail network to a point which may seriously endanger our economic growth.

By way of example, I need only mention the proposed New York Central-Pennsylvania merger which will create a multibillion-dollar rail empire controlling over half the rail traffic in the East, and interlocked with major industrial and investment companies to the extent that competition among shippers may be seriously affected. For those of my colleagues who come from the great Northwest, I point out that the proposed amalgamation of the Northern Pacific, the Great Northern, and the Burlington, whose legal right to merge without specific congressional approval has been challenged, will create virtually a one railroad territory and the destruction of thousands of miles of track and millions of dollars of facilities and services.

To my colleagues in the South, I direct their attention to the proposed Atlantic Coast Line-Louisville & Nashville-Seaboard combination eliminating a choice in rail service through much of the Southeast, and also to the possibility of an Illinois Central-Gulf, Mobile & Ohio merger which would seriously reduce rail competition in Mississippi and Alabama. Finally, in the West and Southwest, the attempts by the Southern Pacific to control the Western Pacific and to enlarge its system to include the Union Pacific and the Rock Island could result in substantial competitive detriment to the Atchison, Topeka & Sante Fe.

I wish to emphasize that none of these big roads mentioned above are in any serious financial difficulty as the railroad industry public relations people would have us believe. The roads which are in precarious positions are the lesser-size lines serving areas of declining growth, such as the New Haven and other New England roads, the Erie-Lackawanna, the Lehigh Valley, the Milwaukee, the Chicago & North Western, and certain southwest roads, and it is these roads which have been ignored by the industry plans. Thus the cry of financial insecurity as justification for present merger proposals is not supported by the directions in which the industry has chosen to aline new systems. The industry pattern is to merge the strong with the strong, create monopolies, shrink capacity, and squeeze out increased profits, leaving the poorer roads to their own demise and loss of service to the communities affected.

This is negative business thinking, and it is dangerous to a growing country. It is a type of planning which is not in the public interest. It is a long step in the direction of concentration of private, economic, social, and political power. It is inimical to our basic concepts of competitive enterprise and business freedom. But most important of all, if these industry plans are allowed to be consummated, there will be no turning back to try it a better way. The pattern and policy of surface transportation for the future will be irrevocably determined by the type of reorganization presently contemplated by the rail industry. That pattern is monopoly, and that policy is railroad dominance to the detriment of other modes of transportation. It is time now for Congress to alert itself to what is going on in this vital area of the economy.

Mr. President, I would not be so alarmed at these rail merger issues if I thought that the body delegated to make the vital decisions—the Interstate Commerce Commission—was adequately empowered and sufficiently knowledgeable to effectuate a reorganization of the Nation's railroads.

However, the hearings before the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, of which I am chairman, made it shockingly clear to me that the Commission lacks necessary planning initiative to cope with the present situation, and has done virtually nothing to inform itself, independent of the claims of the rail industry, concerning facts and issues involved in these vast cases.

It has admitted that it has made no studies or investigation as to who control and influence the policy of railroads or how the roads are interrelated by stock interests or board representation.

It has only recently begun a study of traffic flow in order to determine the effects of traffic diversion at interchange points and what routes and areas can support rail competition.

It has no objective reports as to the degree of intermodal competition along major routes. It does not know whether increased railroad size through merger will bring serious diseconomies which will have to be offset by undue contraction of rail plants. It has made no investigation of the poverty myth being propounded by the railroad industry.

Its own staff has criticized present methods and patterns of the Commission's testing of public interest criteria.

It has yet to complete a staff study into merger problems, and it has made no suggestions, or indicated any directions, in connection with what mergers might be acceptable in the public record.

Instead, the Commission has chosen to make these vital legislative decisions affecting our economy and our lives based only on such judicial testimony as may come before it, relying upon what adversary testing of the evidence there may be under restrictive rules of procedure.

Although bulky in support of the proposed mergers, these case records appear virtually devoid of any adequate testing of applicants' positions, primarily because the litigants with the real capacity to challenge the facts—the major railroads—choose not to oppose—because of their own merger plans—or raise only limited opposition with the hope of obtaining certain protective conditions of questionable merit. The burden of testing applicants' cases has been thus left to certain public interest groups and labor representatives who have not the money or expertise to set the record straight.

Only in two extraordinary situations has the Commission ordered its own experts into a case, and such participation thus far has been insubstantial. The Department of Justice has been forceful on briefs, but except in one case, virtually silent during the development of crucial testimony. Only recently has the Commission recognized the need for independent challenge on behalf of the public interest, and it has asked for funds to set up a special staff to appear in major transportation merger cases. It has asked $65,000, an amount so infinitesimal to afford adequate challenge to the million-dollar legal presentations of applicants, as to make the whole idea of Commission participation virtually worthless.

However, despite these gross inadequacies of testing the public interest criteria, the Commission continues to allow its major cases to be closed, and examiners' decisions to be rendered. One such case, the Chesapeake & Ohio's control of the Baltimore & Ohio, has even reached the stage of full Commission approval. Nevertheless, in that case, the first major rail merger decision of the Commission, the dissenting opinion of Commissioner William Tucker, joined in by Commissioner Charles Webb, laid open for public inspection the critical situation which exists in the Commission.

Recognizing that these rail merger decisions, "irrespective of their nature, predetermine to a great degree the future of the American railroad system", the Tucker-Webb dissent began by striking at the heart of the Commission's incapacity to render proper decisions in the public interest—a matter which could end in reversible error in the courts, and certainly should be of immediate alarm to Congress. It states:

> There can be little argument, however, concerning the general nature of the expert testimony upon which the finding of consistency with the public interest is grounded. That evidence consists essentially of impressive post hoc rationalizations prepared by a corps of engineers, economists, accountants, and traffic and financial experts employed or retained to justify a prior managerial decision. Neither the examiner nor any interested party to the proceeding, public or private, was endowed with the peculiar knowledge and the ample resources required to challenge evidence of this character. The question thus arises as to whether the necessary findings could have been made if the general public had been represented by members of the Commission's staff and by consultants retained by the Commission. We shall never know the answer to that question because the Commission's role in this proceeding has been passive from beginning to end.

It aggressively criticizes the majority's intention to determine this Chesapeake & Ohio-Baltimore & Ohio case, piecemeal, when the merger is being generally represented as a part of a "package" of three eastern mergers which includes approval of the highly controversial Pennsylvania-New York Central amalgamation. On this point, the dissent stated:

> If the Commission is going to open the gates on all eastern merger applications so each successive one becomes one of the basic reasons for requiring approval of the next, and realistically, I can see no other course of action from the decision in this case, we may end up as the creators of another Frankenstein's monster far more ruinous than its fictional counterpart.

The dissent then attacks the majority's decision that this control transaction is necessary to alleviate a deteriorating financial condition of the Baltimore & Ohio on the ground that whatever financial downturn existed for this road in 1961—a particularly bad year for most eastern roads—has been offset by the fact that the Baltimore & Ohio has reported that it is operating in the black for 1962 and forecasts even greater improvement ahead, as a result of its new programs directed toward reducing costs, improving service, and modernizing its operations.

However, one of the most vivid challenges to the majority's handling of the evidence in the Chesapeake & Ohio-Baltimore & Ohio case came with respect to the allegation that Chesapeake & Ohio's control would rehabilitate the Baltimore & Ohio. Recognizing that controlled railroads had been used in the past as sources of profits from stock manipulations, and "left to sink into bankruptcy," the dissent stated:

> An inordinate reliance has been placed by the majority throughout this report on the self-interest of the Chesapeake & Ohio in rehabilitating the Baltimore & Ohio if control is approved. Notwithstanding the particular issues and facts presented in the instant application, which reveal the glaring lack of a single solid commitment by Chesapeake & Ohio to render specific aid to Baltimore & Ohio and the economic impracticability of Chesapeake & Ohio's assistance in the modernization programs, the self-interest assertions of a controlling railroad do not stand the test of our experience.

The dissent then went on to expose the apparent neglect on the part of the majority to recognize the crucial effect of traffic diversion which this control transaction would have on the New York Central, the Norfolk & Western and other roads, if allowed to go forward at this time, and particularly how the setting up of this diversion would lead the Commission into a state of entrapment in deciding other eastern mergers whose applicants would cite the Chesapeake & Ohio-Baltimore & Ohio diversion as justification for their own mergers. It stated that the majority's conclusion that no undue amount of traffic would be diverted was "a groping, meaningless generalization," and that such an important subsidiary finding by the majority would not "withstand the

effects of close judicial scrutiny." It went on to warn the Commission, and in fact all of us in government who are concerned with this issue, that "the decision to isolate this case from others is going to haunt this Commission for many days to come." It continued as follows:

If even 10 percent of the Central's traffic is diverted by the approval of this application and it is not allowed to merge, the Central will collapse. The catastrophic disaster which would befall New England, New York, and the smaller railroads dependent on the Central for traffic could then only be alleviated by Government ownership of, or subsidies to, the Central. A possibility of either of these courses would obviously militate against disapproval of the Pennsylvania Railroad-Central merger, which I am sure the majority, as much as I, does not want to prejudge at this time. Unfortunately, under the case-by-case method we have no way of knowing at this moment if this transaction will create undesirable results to the eastern transportation system. Trapped into approving all three cases one by one, this Commission may be placed in the hapless position of robbing Peter to pay Paul not once but thrice.

Mr. President, this has been only a brief description of the crisis which I see in the Commission's handling of these merger issues. A majority of the members of the Antitrust and Monopoly Subcommittee has recently approved a detailed report on these and many other vital evidences of the dangers which the present movement toward rail concentration will work on our national transportation system. That report should be printed within the next 10 days. I sincerely urge every Member of Congress to read it in detail, and then to consider the issues which it raises in connection with the future rail transportation policy and growth in your own State and constituency.

This bill must be passed this session, and soon. Time is running out. The Commission has ignored the warnings of knowledgeable Members of Congress to stop its rapid case-by-case processing of merger applications, and take on a role of leadership and investigation into these matters. But this bill alone is not enough. Permanent antitrust and public interest criteria must be invoked, and Congress should move toward a thorough investigation of the financial conditions of the railroads and the means short of merger which can be employed to keep these roads balanced and healthy in every region of the country. Likewise, the problem of passenger transportation should be explored. I am presently considering these avenues of legislation with a view toward introducing some new bills in this regard at a later date.

The PRESIDING OFFICER. The bill will be received and will lie on the desk, as requested by the Senator from Tennessee.

The bill (S. 942) to amend section 7 of the Clayton Act to give effect to the operation of the provisions of that section applicable to certain railroad consolidations and mergers until December 31, 1964, and for other purposes, introduced by Mr. KEFAUVER (for himself and other Senators), was received, read twice by its title, and ordered to lie on the desk.

PASSPORT LEGISLATION—DENIAL OF PASSPORTS TO SUPPORTERS OF THE INTERNATIONAL COMMUNIST MOVEMENT, ETC.

Mr. LAUSCHE. Mr. President, I introduce, for appropriate reference, a bill to provide for the denial of passports to supporters of the international Communist movement; for review of passport denials; and for other purposes.

I wish to call attention to the very unsatisfactory situation which exists with respect to the passport law of the United States. I do so because the subject is important and urgent.

The present situation is full of confusion and, in my opinion, danger.

It is necessary to review some history in order to judge the problem which faces the Congress. The passport statute now on the books was enacted in 1856. Conditions then were, of course, very different from conditions now. During most of the history of our country, a passport was not required upon entering the country or leaving it.

During the later part of World War I, for military reasons, the law was changed to require a passport for entry or exit from the United States. World War II again necessitated such a requirement and, under legislation which still exists, Presidents Truman, Eisenhower, and Kennedy have continued the requirement that a passport is necessary for entry or exit by making determinations that a "national emergency" continues.

Existing passport laws are quite brief and many questions of interpretation and policy have arisen. Some of these questions have been settled by the courts but others remain in doubt. During World War II and following, the Department of State claimed that it had complete discretion in the issuance of passports. That is, it claimed the right to decide which American citizens might travel abroad and where they might be allowed to go.

This claim of complete discretion was narrowed down by the courts in several cases but there began to arise charges and denials that the discretionary authority claimed by the Department of State was from time to time abused. In fact, in 1957, the Committee on Foreign Relations held several hearings to look into some of these charges of abuse of discretion.

Mr. President, this already confused legal situation on passports was thrown into turmoil in 1958. On June 16, 1958, in the case of Kent against Dulles, the Supreme Court held that the Department of State could not, in the absence of express statutory authorization, without a passport on the ground that an applicant refused to sign a non-Communist affidavit. The Court in that same case indicated that under existing statutes, a passport may be denied if the applicant is not a citizen, or is engaging in criminal conduct, or is a member of a Communist organization under a final order to register issued by the Subversive Activities Control Board.

As soon as the Supreme Court decision in Kent against Dulles was handed down, President Eisenhower sent a bill to the Congress which would have, in effect, enacted into law the Department of State passport regulations as they existed before the Supreme Court decision. President Eisenhower stated at that time that every day that passed without the legislation which he proposed left the country in great peril. At about the same time other bills, based on the opposite philosophy of passport policy, were also introduced. They would have prohibited the denial of passports, or the imposition of geographical restrictions on travel of Americans abroad, except in time of war. A bill representing a middle ground—comprehensively advising passport law and laying down specific and narrow grounds for denying passports—was introduced by Senator FULBRIGHT.

On September 8, 1959, the House passed H.R. 9069 which dealt only with the questions of denying passports to supporters of communism and of general geographical restrictions on travel. The House bill left the rest of passport legislation untouched.

The Committee on Foreign Relations had been active in the passport field even prior to the Supreme Court decision of 1958. The committee held hearings on passport legislation in 1957, in 1958, and in 1959. In 1960, a number of executive meetings were held by the committee to discuss passport bills. Some members of the committee supported each of the three main approaches to the problem which I have just described. It was obvious that it was going to be difficult to work out an agreed committee bill.

Incidentally, Mr. President, among others who testified before the committee were representatives of the Communist Party, of the Daily Worker, and of Americans for Democratic Action.

With the change of administrations in January of 1961, the committee decided that the subject of passport policy should continue to have a high priority. The committee decided, however, that a reasonable delay, until the new administration could review the subject of passport legislation and submit a bill or policy statement, would be appropriate.

Since January 1961, the chairman of the committee has informally and formally requested the administration to expedite its consideration of passport legislation. It seems to me that a reasonable time has now passed. The administration should come forward with its proposals on passport law.

Mr. President, in the absence of congressional action on passport law, the present confusion is dangerous. It may be that from a theoretical legal point of view, the Department of State can continue to claim whatever discretion to deny passports may be left after the Supreme Court decision. There would seem to be quite a broad area for the denial of passports which has not been tested in the courts. The Department of State has not, however, chosen to test its discretion further. It has issued passports to many persons who previously would have been unable to sign

non-Communist affidavits and who, on that ground, before the Supreme Court decision, would have been denied passports.

There is no doubt that many hard-core Communist Party members are now able to travel abroad on U.S. passports. Can anyone seriously doubt but that these people intend to do harm? Let me quote Secretary of State Rusk when he appeared before the Foreign Relations Committee in 1961 in support of the President's foreign aid program:

While economic penetration by aid and trade are new weapons in the Communist arsenal, the old weapons of force in all its manifestations not only continue to exist, but are daily visible. In Cuba, for example, what appeared to be a people's revolution against oppression has been stolen from the people and has become an instrument of oppression. In Laos, cadres of outsiders, hardened invaders masquerading as local revolutionaries, have been attempting to dominate the country. In Vietnam invaders from the north are waging a campaign of terror and assassination to capture the country.

Elsewhere, both on the borders of the Communist bloc and half a world away, Communist agitators, infiltrators, and guerrillas are at work or moving into chosen positions. Within the bloc itself, there remain huge nuclear capability and expanding delivery systems as well as formidable conventional forces.

Mr. President, as I heard these words of the Secretary of State, my thoughts turned to the chaotic situation pertaining to passports. Because the law is unclear, Communist subversives or agitators may freely move back and forth across our borders. The facts as to the extent of harm which they may be doing have not yet been brought out by the appropriate congressional committees.

Mr. President, a Council of the Organization of American States, Pan American Union, in a report made February 20, this year, recognized the seriousness of unrestrained international travel by those engaged in promoting communism. On page 17 of its report, the Council said:

It is clear that Cuba is being used as a base for training in communism and its spread in America.

That activity of international communism, and particularly on the part of the Cuban Government, is greatly facilitated by the lack of suitable measures, and of cooperation among the American countries, to check the constant and heavy stream of travelers to and from Cuba. The importance of this problem makes it necessary to devote a special section to it.

The nations that maintain normal and friendly relations recognize that it is desirable and even necessary to facilitate travel by their nationals across their borders as a means of strengthening cultural and economic ties, becoming better known, and becoming qualified and ready to support one another in the solution of their problems.

For this reason the documents necessary for crossing international borders have become less in number, the period of validity of entry and departure permits has been extended, procedures for obtaining passports and other travel documents have been simplified, the obligation to secure visas has been removed, the securing of foreign exchange has been facilitated, and so on.

These facilities are used by communism so that its agents may circulate freely and in this way introduce propaganda and move the money needed in planning, encouraging and carrying on subversion. It has already been pointed out in this connection that it is of public knowledge that many individuals of antinational and communistic tendencies travel to Cuba for various reasons connected with subversion. Cuba is also utilized as the point of departure for trips to the Communist countries of Europe or Asia for the same reasons.

Mr. President, it is time for the Congress to get down to work. This situation must be studied. The dangers involved must be carefully appraised. The constitutional questions must be gone into thoroughly.

I do not say that I have any easy answers on passport legislation. There are many troublesome questions of fact and policy. However, it seems to me long past time for the Congress to grasp these questions and to come to a decision so that this loophole in our security may be closed.

To provide a basis for this action, I introduce, for appropriate reference, a bill to provide for the denial of passports to supporters of the international Communist movement; for review of passport denials; and for other purposes.

I strongly urge, Mr. President, that the Committee on Foreign Relations address itself to this problem as a matter of urgent priority.

I ask unanimous consent that the bill may be printed in the RECORD.

Mr. President, I also ask unanimous consent that the bill may lie on the table until 1 week from today. If other Members of the Senate would like to join with me in sponsorship of the bill I specifically request that they do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the table, as requested, and the bill will be printed in the RECORD.

The bill (S. 943) to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes, introduced by Mr. LAUSCHE, 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,

TITLE I—DENIAL OF PASSPORTS TO SUPPORTERS OF THE INTERNATIONAL COMMUNIST MOVEMENT

SECTION 1. The Congress finds that the international Communist movement of which the Communist Party of the United States of America is an integral part, seeks everywhere to thwart United States policy, to influence foreign governments and peoples against the United States, and by every means, including force and violence, to weaken the United States and ultimately to bring it under Communist domination; that the activities of the international Communist movement constitute a clear, present, and continuing danger to the security of the United States, and seriously impair the conduct of the foreign relations of the United States; that travel by couriers and agents is a major and essential means by which the international Communist movement is promoted and directed; that a United States passport requests other countries not only to permit the holder to pass freely and safely but also to give all lawful aid and protection to the holder and thereby facilitates the travel of such holder to and in foreign countries; and that in view of the history of the use of United States passports by supporters of the international Communist movement to further the purposes of that movement, the issuance of a passport to, or the possession of a passport by, persons described in section 2 is inimical to the security and to the conduct of the foreign relations of the United States and therefore passports should not be issued to or held by such persons.

SEC. 2. (a) In accordance with the findings in section 1, the Secretary of State is authorized to refuse to issue a passport, or to revoke a passport already issued, to any person as to whom it is determined on substantial grounds that he knowingly engages in activities for the purpose of furthering the international Communist movement, unless such person demonstrates to the Secretary, by clear and convincing evidence, that his activities abroad would not further the purposes of such movement.

(b) The Secretary shall consider as evidence of activities in furtherance of the international Communist movement, within the meaning of subsection (a)—

(i) present membership in the Communist Party or former membership terminated under circumstances which reasonably warrant the conclusion that the person continues to act knowingly in furtherance of the interests and under the discipline of the Communist Party;

(ii) activities under circumstances which reasonably warrant the conclusion that a person, regardless of the formal state of his affiliation with the Communist Party, is knowingly acting under the discipline of the Communist Party, or as a result of the direction, domination, or control exercised over him by the international Communist movement;

(iii) other facts which reasonably warrant the conclusion that the person is going or staying abroad to conduct activities for the purpose of furthering the interests of the international Communist movement.

SEC. 3. The Secretary of State may require, as a prerequisite to the issuance, renewal, or extension of a passport that the applicant subscribe to and submit a written statement duly verified by his oath or affirmation as to whether he is or has been within ten years prior to filing his application a member of the Communist Party.

SEC. 4. The provisions of this title shall continue in effect until the termination of the national emergency established by Presidential Proclamation Numbered 2914, December 16, 1950 (64 Stat. A 454).

TITLE II—PROCEDURE FOR PASSPORT DENIAL AND REVIEW THEREOF

SEC. 5. Upon application therefor, duly completed, and upon compliance with any requirement under the provisions of section 3 of title I of this Act, a passport shall be issued to any person qualified under section 4076 of the Revised Statutes, as amended (22 U.S.C. 212), or the applicant shall be informed in writing of a denial thereof, within ninety days after the receipt of such application. If a passport is denied, revoked, or restricted for any reason other than noncitizenship or geographic restrictions of general applicability, the passport applicant or holder shall be informed in writing of the reason, as specifically as is consistent with considerations of national security and foreign relations, and of the right to a hearing before the Passport Hearing Board in accordance with the provisions of this title. Notice of the denial or revocation of a passport under the terms of title I of this Act shall specify the paragraph or paragraphs of section 2(b) of title I on the basis of which the passport is denied or revoked.

SEC. 6. There shall be established within the Department of State a Passport Hearing Board consisting of three officers of the Department to be designated by the Secre-

tary of State. This Board shall have jurisdiction in all cases wherein a hearing is requested in writing within thirty days after notification of the denial, revocation, or restriction of a passport, for any reason other than noncitizenship or geographical restrictions of general applicability. The Board shall hold a hearing within ninety days after the receipt of the request unless such time limit is extended at the request of the party. The officers who present the case of the Department of State to the Board shall not otherwise participate in the deliberations or recommendations of the Board.

SEC. 7. (a) The Secretary shall establish and make public rules which shall accord to the individual in proceedings before the Board the following rights:

(1) To appear in person and to be represented by counsel;

(2) To testify in his own behalf, present witnesses, and offer other evidence;

(3) To cross-examine witnesses appearing against him at any hearing at which he or his counsel is present and to examine all other evidence which is made a part of the open record;

(4) To examine a copy of the transcript of the open proceedings or to be furnished a copy upon request.

(b) In order to protect information, sources of information, and investigative methods, disclosure of which would have a substantially adverse effect upon the national security or the conduct of foreign relations, the Board may at any time consider oral or documentary evidence without making such evidence part of the open record. Prior to completion of its proceedings, the Board shall furnish to the individual a résumé of any such evidence, and shall certify that it is a fair résumé. The Board shall take into consideration the individual's inability to challenge information of which he has not been advised in full or in detail or to attack the credibility of sources which have not been disclosed to him.

SEC. 8. Within sixty days after completion of its proceedings, the Board shall make written findings, conclusions, and recommendations, which shall be transmitted with the entire record to the Secretary of State who shall make the final administrative determination. If the recommendation of the Board is adverse to the individual, a copy of the recommendation and of the findings and conclusions which are based upon the open record or upon the résumé of any evidence not made part of the open record, shall be furnished the individual, who may within twenty days following the receipt thereof submit to the Secretary written objections thereto. The Secretary shall base his determination upon the entire record submitted to him by the Board, including all findings and conclusions, and upon any objections submitted by the individual. In appropriate cases, the Secretary may remand a case to the Board for further proceedings. In the event he takes action adverse to the individual, the Secretary shall make appropriate written findings and conclusions.

SEC. 9. The United States District Court for the District of Columbia shall have jurisdiction to review any final determination of the Secretary of State under section 8 of this Act to determine whether there has been compliance with the provisions of this Act and of any regulations issued thereunder. In any such proceedings the court shall have power to determine whether any findings which are stated to be based upon the open record are supported by substantial evidence contained in that record, or, in the case of a résumé of evidence which was not made part of the open record in conformity with section 7(b) of this Act, are supported by the résumé of such evidence, duly certified by the Board under said section 7(b).

SEC. 10. The provisions of the Administrative Procedure Act, as amended (5 U.S.C., ch. 19), shall not apply to proceedings under this title.

TITLE III—REGULATIONS

SEC. 11. The Secretary of State is authorized to prescribe regulations to carry out the provisions of this Act.

TITLE IV—SEPARABILITY

SEC. 12. If any provision of this Act is held invalid, the remaining provisions shall not be affected.

TITLE V—EFFECTIVE DATE

SEC. 13. This Act shall take effect immediately upon its enactment.

A MONUMENT TO MEXICAN INDEPENDENCE

Mr. KUCHEL. Mr. President, the city of Washington is beautiful for many reasons. One of them is the plethora of beautiful statues, many of them being gifts from foreign countries.

Mr. President, I am privileged to introduce once again on behalf of myself and the Senator from Oregon [Mr. MORSE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. MCGEE], the Senator from Texas [Mr. YARBOROUGH], the Senator from New York [Mr. JAVITS], the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Texas [Mr. TOWER], and my colleague from California [Mr. ENGLE], a bill to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico.

This bill was approved during previous Congresses by both the Department of State and the Bureau of the Budget. On September 5, 1961, the Senate Committee on Foreign Relations favorably reported this measure, and soon thereafter it passed the Senate. The House failed to act upon it.

I have been informed that the Mexican Government would be pleased to accept a statue of our great President Abraham Lincoln. This is especially fitting because of the high regard in which Lincoln is held by the Mexican people and because of Lincoln's crucial support of Benito Juarez, the outstanding Mexican patriot.

Senators will recall, Mr. President, that in the spring of 1864 Napoleon III, of France, was preparing to establish a Mexican empire under Archduke Maximilian, of Austria. The struggling young Mexican Republic faced an uncertain future. Yet, in that hour of crisis, disregarding European hostility, Lincoln and his Secretary of State, William Seward, provided encouragement and, later, active support for the brave new Government of Mexico.

The Mexican Minister to the United States in gratitude proclaimed:

Our common interest, political as well as commercial, will give us a common continental policy which no European nation would dare disregard.

It is fitting, then, that we present Mexico with a statue of Lincoln, to remind ourselves, as well as the Mexican people, of the common ideals of the two statesmen, Lincoln and Juarez, and of the continuing Mexican-United States bonds of history, geography, commerce, and love of freedom.

As I stated when I introduced this bill in 1960:

Today, we share with Mexico a great deal more than our 1,935 miles of a common border. We have entered upon a new era of mutual cooperation and respect. The visit of President Eisenhower to Mexico and the official visit of Mexico's distinguished President, Lopez-Mateos, to the United States are indicative of this era. The forms of our cooperation may take many guises. It may involve a joint commission to wipe out a destructive hoof-and-mouth disease or any other hindrance which distresses both peoples. It may take the form of that unique and enduring monument to Mexican-United States cooperation, the mighty Falcon Dam, constructed and built by the two governments on the Rio Grande, 75 miles downstream from Laredo. Or it may take the form of a cultural exchange program. But whatever the nature of cooperation between our two countries, we labor toward a common goal: To advance the cause of peace with honor among all peoples of the world.

Mr. President, I ask unanimous consent that an excerpt from the report of the Senate Committee on Foreign Relations be printed at this point in my remarks and that the text of the bill be set forth in full in the RECORD, and that the bill be held at the desk until tomorrow before being printed in the event that any others of my colleagues desire to join in sponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie at the desk, as requested, and the bill and excerpt will be printed in the RECORD.

The bill (S. 944) to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes, introduced by Mr. KUCHEL (for himself and other Senators), 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 Secretary of State is authorized and requested to procure a statue of Lincoln to commemorate appropriately the independence of Mexico, and present the same, on behalf of the people of the United States, to the people of Mexico. Such monument shall be prepared only after the design, plans, and specifications therefor have been submitted to and approved by the Commission on Fine Arts.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including payment of the cost of such statue, the design and construction of a suitable pedestal therefor, transportation, including insurance, erection of the statue in Mexico, and traveling expenses of persons delegated by the Secretary of State to present such statue, on behalf of the people of the United States, to the people of Mexico.

The excerpt from the report presented by Mr. KUCHEL is as follows:

PURPOSE

This bill authorizes the Secretary of State with the approval of the Commission of Fine Arts to procure a statute of Lincoln for presentation to Mexico. The cost involved in S. 653 is estimated by the Department of State at $150,000, which include expenses of

transportation, insurance, predestal, erection, and of the presentation itself. If a copy of an existing statue of Lincoln can be procured, the cost will be lower.

BACKGROUND

In 1960, Mexico celebrated its 150th anniversary as well as the 100th anniversary of the triumph of Benito Juarez. These occasions were commemorated with appropriate ceremonies in which the United States took part.

The Committee on Foreign Relations, in August 1960, considered a bill (S. 2827) which was similar to S. 653 but took no final action. On January 30, 1961, Senator Kuchel for himself and Senators Chavez, Engle, Goldwater, Gruening, Javits, Morse, and Yarborough, introduced S. 653, which was considered by the committee in open and executive sessions on July 31, August 9 and 29. On September 1, the committee voted to report S. 653 favorably to the Senate with amendments. These amendments merely strike out references to the two anniversaries that took place in 1960 since their celebration is now at an end.

COMMITTEE RECOMMENDATION

Although the ceremonies are over, the Committee on Foreign Relations recommends enactment of S. 653 as a gesture of friendship and good will for the Mexican people. It was the consensus of the committee, moreover, that the U.S. Embassy in Mexico should explore with appropriate officials of the Mexican Government the possibility of providing an attractive setting for the statute. It was felt that the gift would have greater meaning for, and bring more enjoyment to, the Mexican people if a way could be found to make a park around it.

The Department of State has no objection to enactment of S. 653. Its comments on the bill state that "if the Congress should enact such a bill * * * the Government of Mexico would graciously accept a statue of Lincoln."

A statue of Lincoln is considered to be most appropriate because the memory of Lincoln is cherished by the Mexican people for his sympathetic concern for them during the period that Mexico was struggling to regain its independence from European domination. The committee, therefore, recommends S. 653 to the Senate for favorable action.

EXTENSION OF THE DAVIS-BACON ACT TO MAINTENANCE WORK

Mr. KUCHEL. Mr. President, I introduce, for appropriate reference, on behalf of myself and the assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY], a bill to extend the Davis-Bacon Act to include contracts for work performed on Federal public works and buildings.

Mr. President, in 1931, a historic act authored by a Republican Senator from Pennsylvania, James Davis, and a Republican Representative from New York, Robert Bacon, was adopted by Congress and signed into law by President Hoover. In passing the Davis-Bacon Act, Congress wisely determined that when Federal tax dollars were being used for construction, the wages paid for a particular type of labor must be those prevailing in the locality for work on projects of a similar character. The purpose in passing this law was to prevent cheap labor from geing imported into an area and thus undercutting the going wages in the local labor market. Effective administration of this act has meant more job opportunities for both local workers and local contractors.

I have long worked for the extension and improvement of the Davis-Bacon Act. In 1956, as a member of the Senate Committee on Public Works, I helped attain the adoption of an amendment which applied the Davis-Bacon principle to the construction authorized under the multibillion-dollar 41,000-mile interstate highway program. In urging that amendment almost 8 years ago, I noted what the application of the prevailing wage law would mean to the people of California and all other States, as follows:

> Our local working people will be given the statutory assurance by the Congress that, in working on a public construction job, they would have the same level of income or salary which they would have if they are working in similar enterprises in that locality. It also means that the local contractor who had local people working for him would not be subject to the hazard that some contractor from another part of the country might underbid him on the basis that he could import cheap labor into that area and could underbid the local contractor, and depress the local economy.

In the last Congress, my counterpart, the assistant majority leader [Mr. HUMPHREY] and I offered an amendment to the administration's Urban Mass Transportation Act, S. 3126, which would apply the Davis-Bacon principle to that program. This amendment was agreed to by the Senate Committee on Banking and Currency and is section 11(a) of the new bill (S. 6) in this Congress.

We also coauthored another Davis-Bacon amendment, S. 1360, which we originally introduced on March 15, 1961, and which we have reintroduced on January 23, 1963, as S. 450 in this Congress. Our measure would amend the Davis-Bacon Act to require the Secretary of Labor to take into account in his determination of the prevailing wage the contractor payments to various types of health, welfare, unemployment, retirement, and apprenticeship funds. The great growth of these funds was unforeseen three decades ago when the original legislation was framed. With 70 percent of the workers in the construction industry now covered by negotiated agreements which provide for some welfare and pension benefits such a revision is long overdue. California has had such a provision in the State prevailing wage law since 1959. If we are to bring the Davis-Bacon Act into conformity with the practices of modern labor-management relations, it is now time for Congress to act.

Additional revision, however, is also sorely needed. The Davis-Bacon concept should be extended to the maintenance contracts—such as those dealing with the replacement, modification, reconstruction, and demolition of a structure or project—which are made after the original construction has been completed. At this time on military and other Federal installations in my own State and throughout America we have the strange zig-zag pattern where prevailing wages—and thus protection for local contractors and local workers—are honored during the construction phase but ignored when maintenance work—including replacement, modification, reconstruction or demolition—occurs. Whole crews of out-of-State workers are brought in to perform such work below prevailing local wages while our local contractors and workers are literally standing outside the fence looking in. This is not fairplay.

The Federal Government should not condone that which is not fair play and should not through inaction encourage such substandard working conditions. Interestingly enough, in California, if it is a State public works project, alteration, demolition, or repair work as well as construction has been covered since the "little" Davis-Bacon Act was adopted by the California Legislature in 1937. The State act has worked successfully and has had the support of contractors and workers in the areas involved. I hope that this Congress will amend the Davis-Bacon Act in the two ways that have been indicated. Such revision is long overdue.

Mr. President, I ask unanimous consent that a copy of the resolution in favor of extending the Davis-Bacon Act to include maintenance work on Federal projects, which was adopted by the 41st Convention of the State Building and Construction Trades Council of California in San Francisco on July 24–27, 1962, be printed at this point in the RECORD, as well as the text of the bill to which I have alluded.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and resolution will be printed in the RECORD.

The bill (S. 945) to amend the Davis-Bacon Act to extend its application to contracts for the maintenance of Federal installations, introduced by Mr. KUCHEL (for himself and Mr. HUMPHREY), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, 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 section 7 of the Act entitled "An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes," approved March 3, 1961, as amended (40 U.S.C. 276a–6), is amended to read as follows:

"SEC. 7. A contract for maintenance work on a public building or public work, including the replacement, modification, reconstruction, and demolition thereof, shall, for the purposes of this Act, be deemed to be a contract for the construction, alteration, and/or repair thereof."

The resolution presented by Mr. KUCHEL is as follows:

RESOLUTION ON GOVERNMENT MAINTENANCE WORK

(Resolution adopted at 41st convention of State Building and Construction Trades Council of California, San Francisco, July 24–27, 1962)

Whereas the Federal Government has adopted a policy of placing much of the maintenance work on Government installations out for competitive bids; and

Whereas such work does not fall under the scope of the Davis-Bacon Act and the prevailing wage rate is not applicable; and

Whereas under these conditions nonunion employers very often are successful in se-

curing this work at a wage rate detrimental to our members and organization; and

Whereas organization of such work on Government installations is not easily accomplished; Now, therefore, be it

Resolved, That this 41st convention of the State Building and Construction Trades Council of California endorse inclusion under the Davis-Bacon Act all construction maintenance work, i.e.: alteration, repair, replacement, modification, reconstruction, and demolition on Government installations to be let for competitive bids; and be it further

Resolved, That the officers and executive board members contact the Senators and Congressmen of our State to secure a sponsor to introduce such legislation in the coming legislative session; and be it further

Resolved, That copies of this resolution be forwarded to the building and construction trades department of the AFL–CIO requesting their aid and cooperation in securing this legislation.

TO AMEND THE FOREIGN SERVICE BUILDINGS ACT

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to amend the Foreign Service Buildings Act, 1926—title 22, United States Code, sections 292–300—to permit continuation of the program for the acquisition, maintenance, and operations of real property required abroad by diplomatic, consular, and other activities of the United States operating in foreign countries.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of State dated February 1, 1963, to the Vice President in regard to it and a table showing authorizations and appropriations for the Foreign Service building program.

I might add that this is substantially the same bill as H.R. 11880 which passed the Senate last year but was not finally enacted.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, letter, and statement will be printed in the RECORD.

The bill (S. 946) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes, introduced by Mr. FULBRIGHT, by request, 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 section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295), is amended by adding at the end thereof the following new subsection:

"(d) In addition to amounts authorized before the date of enactment of this section, there is hereby authorized to be appropriated to the Secretary of State—

"(1) for acquisition, by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums—

"(A) for use in Africa, not to exceed $8,400,000, of which not to exceed $3,600,000 may be appropriated for the fiscal year 1964;

"(B) for use in the American Republics, not to exceed $6,100,000, of which not to exceed $4,100,000 may be appropriated for the fiscal year 1964;

"(C) for use in Europe, not to exceed $7,650,000, of which not to exceed $2,440,000 may be appropriated for the fiscal year 1964;

"(D) for use in the Far East, not to exceed $2,900,000, of which not to exceed $2,200,000 may be appropriated for the fiscal year 1964;

"(E) for use in the Near East, not to exceed $2,800,000, of which not to exceed $2,100,000 may be appropriated for the fiscal year 1964;

"(F) for facilities for the United States Information Agency, not to exceed $1,850,000, of which not to exceed $760,000 may be appropriated for the fiscal year 1964, and

"(G) for facilities for agricultural and defense attaché housing, not to exceed $800,000, of which not to exceed $400,000 may be appropriated for the fiscal year 1964;

"(2) such additional sums as may be necessary to carry out the other purposes of this Act.

Sums appropriated pursuant to this authorization shall remain available until expended. To the maximum extent feasible, expenditures under this Act shall be made out of foreign currencies owned by or owed to the United States."

SEC. 2(a). Section 2 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 293), is repealed.

(b) The first section of such Act (22 U.S.C. 292) is amended—

(1) by striking out ", subject to the direction of the commission hereinafter established,";

(2) by striking out "under such terms and conditions as in the judgment of the commission may best protect the interests of the United States,";

(3) by striking out ", to the extent deemed advisable by the commission,"; and

(4) by striking out ", which buildings shall be appropriately designated by the commission, and the space in which shall be allotted by the Secretary of State under the direction of the commission" and inserting a period and the following: "The space in such buildings shall be allotted by the Secretary of State".

(c) Section 3 of such Act (22 U.S.C. 294) is amended—

(1) by striking out ", subject to the direction of the commission," and "in the judgment of the commission,"; and

(2) by inserting immediately before the period at the end thereof the following: "and without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529)".

(d) Section 4 of such Act (22 U.S.C. 295) is amended by striking out ", subject to the direction of the commission,".

(e) Section 9 of such Act (22 U.S.C. 300) is amended—

(1) by striking out "with the concurrence of the Foreign Service Buildings Commission,"; and

(2) by striking out ", as in the judgment of the Commission may best serve the Government's interest".

(f) Section 1(c) of Reorganization Plan Numbered II of May 9, 1939 (53 Stat. 1432), is repealed.

(g) All references to the Foreign Service Buildings Commission, originally established by the Foreign Service Buildings Act, 1926, in all laws of the United States are hereby repealed.

The letter and table presented by Mr. FULBRIGHT are as follows:

FEBRUARY 1, 1963.

DEAR MR. VICE PRESIDENT: The Department encloses, and recommends for your consideration, proposed legislation to amend the Foreign Service Buildings Act, 1926 (22 U.S.C. 292–300), to permit continuation of the program for the acquisition, maintenance, and operations of real property required abroad by diplomatic, consular, and other activities of the United States operating in foreign countries.

Authorizations of appropriations to implement the provisions of the Foreign Service Buildings Act from 1926 to date amount to $251,625,000, of which $235 million has been authorized in the last 15 years. The appropriations request for the buildings program for the fiscal year ending June 30, 1964, aggregates $27 million and is dependent upon enactment of the proposed legislation.

Thus far the Department of State has acquired under its Foreign Service buildings program office buildings, residences, and staff housing which are valued far in excess of their cost of approximately $200 million. The Department has developed a 2-year program to meet its most urgent needs, especially in Africa and Asia, which contemplates an expenditure in the period from July 1, 1963, through June 30, 1965, of an estimated $30,500,000, exclusive of normal operating expenses, for which we are asking continuing authority.

Acquisition of real properties under the Foreign Service Buildings Act has been financed largely in the past by U.S. Treasury holdings of foreign currencies generated through lendlease, surplus property and other agreements. However, many of the Department's most urgent and compelling buildings needs are now in countries where credits or local currencies are not held by the United States in sufficient amounts. U.S. dollars must be expended in those areas. In view of the high concentration of local currency holdings of the U.S. Treasury in a relatively few countries, and the recurring need in areas in which local currency holdings do not exist, the proposed legislation does not specify a definite amount to be used solely to acquire local currencies or credits. However, under regulations of the U.S. Treasury, the Foreign Service buildings program is required to utilize foreign credits and currencies owed to or owned by the United States before it can acquire needed foreign exchange from any other source.

During the 87th Congress, the House Foreign Affairs Committee reported favorably H.R. 11880 to amend the Foreign Service Buildings Act of 1926. This bill was passed by the House and also by the Senate but with several amendments. No final action was taken by the Congress prior to adjournment. The enclosed draft bill includes all the provisions of H.R. 11880 as passed by the House, with certain modifications in limitations which the Department considers essential.

The Department of State has been informed by the Bureau of the Budget that there is no objection, from the standpoint of the administration's program, to the presentation of the draft bill for the consideration of the Congress.

A letter similar to this is being sent to the Speaker of the House.

Sincerely yours,

DEAN RUSK.

(Enclosures: (1) copy of draft bill; (2) copy of Department of State "Authorization and Appropriations for the Foreign Buildings Program".)

Authorizations and appropriations for the foreign buildings program, since the Foreign Service Buildings Act, 1926

[Thousands of dollars]

Public law	Authorizations [1]		Appropriations [1]			Unappropriated balance
	Minimum use of U.S. Treasury foreign currency	U.S. dollars	Fiscal year	For purchase of U.S. Treasury foreign currency	For U.S. dollar obligations	
186, 69th Cong., May 7, 1926		$10,000				
			1926		$435	$9,565
			1927		700	8,865
			1928		1,300	7,565
			1929		2,700	4,865
			1930		1,700	3,165
			1931		2,000	1,165
			1934		1,165	0
145, 74th Cong., June 15, 1935		300				300
260, 74th Cong., Aug. 12, 1935		1,325				1,625
			1935		1,625	0
543, 75th Cong., May 25, 1938		5,000				5,000
			1940		750	4,250
			1941		300	3,950
			1942		450	3,500
			1943		275	3,225
			1944		144	3,081
			1945		220	2,861
			1946		1,000	1,861
			1947		1,000	861
547, 79th Cong., July 25, 1946	$110,000	15,000				125,861
			1948	$50,000	1,500	74,361
			1949	35,000		39,361
			1950	13,000		26,361
			1951	2,950		23,411
			1952	7,500		15,911
399, 82d Cong., June 19, 1952	90,000					105,911
			1953	6,500		99,411
			1954	[2] 3,316		96,095
			1955	[3] 3,000	1,000	92,095
			1956	7,500	1,000	83,595
			1957	14,000	5,000	64,595
			1958	15,000	3,500	46,095
			1959	15,000	3,000	28,095
			1960	16,739	633	10,723
			1961	10,495	228	None
86-723, Sept. 8, 1960		10,000				10,000
			1962	9,100	900	None
87-843, Oct. 18, 1962	7,000	3,000	1963	7,000	3,000	None
88——, ——, 1963 [4]	36,000	18,000				54,000
			[4] 1964	[4] 19,000	[4] 8,000	27,000
Total	243,000	62,625		235,100	43,525	27,000

[1] Data are exact, since both authorizations and appropriations have been enacted in even thousands of dollars.
[2] Transferred from "Government in occupied areas" pursuant to Public Law 83-207.
[3] Of this amount, $1,000,000 was transferred from "Government in occupied areas" pursuant to Public Law 83-663.
[4] The 1964 appropriation is dependent upon the enactment of authorizing legislation, expected to be introduced early in the 88th Cong. in the amount shown.
[5] Estimated.

TO AMEND THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949, AS AMENDED

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes.

The proposed legislation has been requested by the Foreign Claims Settlement Commission, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with a letter from Edward D. Re, Chairman of the Foreign Claims Settlement Commission, of recent date, and also the Commission's section-by-section analysis of the bill which were sent to the Vice President in regard to it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, letter, and analysis will be printed in the RECORD.

The bill (S. 947) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes, introduced by Mr. FULBRIGHT, by request, 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:

(1) Subsection (f) of section 4, title I, is hereby amended to read as follows:

"(f) No remuneration on account of services rendered on behalf of any claimant in connection with any claim filed with the Commission under this title shall exceed 10 per centum of the total amount paid pursuant to any award certified under the provisions of this title, on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere, demands or receives, on account of services so rendered, any remuneration in excess of the maximum permitted by this section, shall be fined not more than $5,000 or imprisoned not more than twelve months, or both."

(2) Section 6, title I, is amended by inserting "(a)" after the section number and adding at the end thereof the following subsection:

"(b) The Commission shall complete its affairs in connection with the settlement of United States-Polish claims arising under the Polish Claims Agreement of July 16, 1960, not later than March 31, 1966."

(3) Subsection (b) of section 7, title I, is amended by inserting "(1)" after the subsection letter, and adding at the end thereof the following paragraph:

"(2) The Secretary of the Treasury shall deduct from each payment into the Polish Claims Fund created pursuant to section 8, 5 per centum thereof as reimbursement to the Government of the United States for the expenses incurred by the Commission and by the Treasury Department in the administration of this title. The amount so deducted shall be covered into the Treasury to the credit of miscellaneous receipts."

(4) Paragraph (1) of subsection (c), section 7, title I, is hereby amended to read as follows:

"(1) if any person to whom any payment is to be made pursuant to this title is deceased or is under a legal disability, payment shall be made to his legal representative, except that if any payment to be made is not over $1,000 and there is no qualified executor or administrator, payment may be made to the person or persons found by the Comptroller General to be entitled thereto, without the necessity of compliance with the requirements of law with respect to the administration of estates."

(5) Section (c) of section 8, title I, is amended by inserting the phrase "paragraph (1) of" after the phrase "pursuant to" and before the words "subsection (b)".

(6) Section 8, title I, is hereby further amended by adding at the end thereof the following subsection:

"(e) The Secretary of the Treasury is authorized and directed out of the sums covered into the Polish Claims Fund, to make payments on account of awards certified by the Commission pursuant to this title with respect to claims included within the terms of the Polish Claims Agreement of 1960 as follows and in the following order of priority:

"(1) Payment in the amount of $1,000 or in the principal amount of the award, whichever is less;

"(2) Thereafter, payments from time to time on account of the unpaid principal balance of each remaining award which shall bear to such unpaid principal balance the same proportion as the total amount in the Polish Claims Fund available for distribution at the time such payments are made bears to the aggregate unpaid principal balance of all such awards; and

"(3) Thereafter, payments from time to time on account of the unpaid balance of each award of interest which shall bear to such unpaid balance of interest, the same proportion as the total amount in the Polish Claims Fund available for distribution at the time such payments are made bears to the aggregate unpaid balance of interest of all such awards."

(7) Section 302, title III, is amended by inserting "(a)" after the section number and adding at the end thereof the following subsections:

"(b) The Secretary of the Treasury is authorized and directed to transfer the unobligated balance in the Italian Claims Fund into the War Claims Fund created under section 13 of the War Claims Act of 1948, as amended.

"(c) The Secretary of the Treasury shall cover into each of the Bulgarian, Hungarian, and Rumanian Claims Funds, such sums as may be paid by the Government of the respective country pursuant to the terms of any claims settlement agreement between the Government of the United States and the Government of such country."

(8) Section 303, title III, is amended by striking out the word "and" at the end of paragraph (2), and by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and immediately thereafter, the word, "and".

(9) Section 303, title III, is further amended by adding at the end thereof the following new paragraph:

"(4) pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Bulgaria, Hungary, and Rumania, between August 9, 1955, and the effective date of the claims agreement between the respective country and the United States."

(10) Section 306, title III, is amended by inserting "(a)" after the section number and adding at the end thereof the following subsection:

"(b) within thirty days after enactment of this subsection or the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (4) of section 303 of this title, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed under paragraph (4) of section 303 of this title, which limit shall not be more than six months after such publication."

(11) Section 310, title III, is amended by adding at the end of subsection (a) thereof the following paragraph:

"(6) Whenever the Commission is authorized to settle claims by the enactment of paragraph (4) of section 303 of this title with respect to Rumania, or by the execution of a claims settlement agreement with Bulgaria or Hungary, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission pursuant to paragraphs (1), (2), or (3) of section 303 of the Bulgarian, Hungarian or Rumanian Claims Funds, as the case may be, until payments on accounts of awards certified pursuant to paragraph (4) of section 303 with respect to such Fund have been authorized in equal proportion to payments previously authorized on existing awards certified pursuant to paragraphs (1), (2), and (3) of section 303."

(12) Section 316, title III, is amended by inserting "(a)" after the section number and adding at the end thereof the following subsection:

"(b) The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (4) of section 303 of this title not later than eighteen months following the date of enactment of such paragraph, or following the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (4) of section 303 of this title, whichever date is later."

The letter and section-by-section analysis presented by Mr. FULBRIGHT are as follows:

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES,
Washington, D.C.

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

DEAR MR. PRESIDENT: Transmitted herewith in behalf of the executive branch for the consideration of the 88th Congress is the draft of a proposed bill entitled, "A bill to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes."

On July 16, 1960, the Governments of the United States and the Polish People's Republic entered into an en bloc settlement of claims of nationals of the United States against Poland for the nationalization or other taking by Poland of property and rights or interests therein; the deprivation of use or enjoyment of property; and debts of nationalized enterprises. The Polish Government agreed to pay to the U.S. Government an aggregate of $40 million in 20 equal annual installments. Three such installments have been paid to the U.S. Treasury.

A total of 9,873 applications have been received to date, some having been received after the close of the filing date, March 31, 1962. It is anticipated, of course, that the number of valid claims will be considerably less. Nevertheless, all claims filed with the Commission, whether valid or invalid, must be examined and decided by formal opinions.

The Commission started work on the Polish claims program on September 1, 1960, pursuant to title I of the International Claims Settlement Act of 1949, as amended, which established the procedures for the administration of such a claims program by the Foreign Claims Settlement Commission. Title I, however, makes no provision with respect to limiting the time within which the Commission must bring about the timely and orderly completion of the Polish claims program.

As indicated, 9,873 claims have been filed. In relation to programs previously administered by the Commission this one is more than six times the size of the Yugoslav program, equal to the size of the title III program, and more than twice the size of the title IV program. Four years were allowed for the completion of each of those programs. Accordingly, the Commission proposes that the period for processing claims against Poland be no greater than 4 years from the last day for filing claims.

Eight other proposals are contained in the draft measure:

(a) A proposal to relieve the Commission of the burden of determining attorneys' fees and to make title I consistent with the attorney fee provisions of titles III and IV of the International Claims Settlement Act.

(b) A proposal to relieve the Treasury Department of extensive administrative burdens in deducting the Commission's administrative expenses from the fund instead of from each award by the Commission.

(c) A proposal to transfer the unobligated balances in the Italian Claims Fund to the War Claims Fund.

The following proposals are designed to provide for the implementation of the United States-Rumanian Claims Settlement Agreement of March 30, 1960.

(d) A proposal to enable the Secretary of the Treasury to cover the payments by governments with which the U.S. Government concludes en bloc claims settlement agreements into the respective claims fund.

(e) A proposal to provide for a new category of claims against the Rumanian Claims Fund.

(f) A proposal requiring the Commission to publish notice of the program in the Federal Register.

(g) A proposal providing for equitable payments on awards.

(h) A proposal providing for the orderly completion of the Rumanian program.

The items covered in the draft proposal will involve little, if any, cost. In any event, the cost of effectuating any of the proposals would be borne by the claims fund concerned and not the U.S. Government.

The Commission cannot proceed in the orderly administration of the Polish and Rumanian claims programs unless the items pertaining to them are enacted. With respect to the remaining items, these are considered good administrative housekeeping which should not be left at loose ends. Moreover, it is important that this legislation be enacted promptly because installment payments of $2 million each have been made by the Government of Poland on January 11, 1961, January 10, 1962, and January 10, 1963. On July 1, 1960, the Government of Rumania made its first installment payment of $500,000 under the terms of the agreement of March 30, 1960. Subsequent installment payments of the same amount were made on July 1, 1961, and July 1, 1962.

For these reasons the Commission urges early and favorable action on the proposed bill.

Accompanying the draft bill is a section-by-section analysis of its provisions.

The Bureau of the Budget advises that it has no objection to the presentation of this proposal for consideration by the Congress and its enactment would be consistent with the administration's objectives.

Sincerely yours,

EDWARD D. RE,
Chairman.

INTERNATIONAL CLAIMS SETTLEMENT ACT AMENDMENTS SUBMITTED BY THE FOREIGN CLAIMS SETTLEMENT COMMISSION IN BEHALF OF THE EXECUTIVE BRANCH—SECTION-BY-SECTION ANALYSIS

Paragraph 1: (The enacting clause unnumbered.)

Section 4(f) of title I of the International Claims Settlement Act of 1949, as amended, presently provides for a limitation on attorney's fees of 10 percent of any payment on an award made by the Commission, but it also provides machinery authorizing the Commission to set the amount of such fee within the 10 percent limitation. Further provision is made for deduction by the Secretary of the Treasury of the amount of the fee and for payment directly to the attorney.

Because of the additional administrative burdens imposed upon the Commission and the Treasury Department through such procedures the attorney fee provisions have been considerably simplified in legislation enacted subsequent to title I of the act, namely, titles III and IV. The latter two titles provide simply that such fees shall not exceed 10 percent of any payment made on an award by the Commission, and leaves the settlement thereof to attorney and client.

Paragraph 1 of the proposed bill is designed to repeal present section 4(f) of the title I, and to substitute therefor the attorney fee provisions contained in section 414 of title IV of the act.

Paragraph 2: While title I of the International Claims Settlement Act of 1949, as amended, made provision for the initiation of claims programs such as that contemplated under the Polish Claims Agreement of July 16, 1960, and authorized the Commission to set a claims filing period, it did not make provision for establishing the time limit within which the Commission should wind up its affairs in completing the program.

Accordingly, the Commission, having received nearly 10,000 claims during the filing period, recommends in the measure that the windup date be set 4 years from the last day for filing claims. The date thus recommended is March 31, 1966.

Paragraph 3: The various claims funds administered by the Commission have all been charged with financing the administrative expenses of the Commission. Section 7(b) of title I of the International Claims Settlement Act of 1949, as amended,

presently provides for the deduction of 5 percent of any payment made on an award for this purpose. Legislation enacted subsequent to title I, i.e., titles III and IV, instead provides for a direct deduction of 5 percent from the respective funds for this purpose. This latter method lifts an extensive administrative burden from the Treasury Department.

It is recommended, therefore, that the cumbersome procedure of section 7(b) be repealed and provisions comparable to those of title IV be substituted.

Paragraph 4: Section 7(c)(1) of title I of the International Claims Settlement Act of 1949, as amended, presently provides that payment of awards be made only to the persons entitled thereto except in cases involving legal disability or death. Where the award does not exceed $500, requirements with respect to the appointment of a qualified executor or administrator may be waived and payment made to the person or persons found by the Comptroller General to be entitled thereto.

This proposal raises the limit from an award not in excess of $500 to any payment not in excess of $1,000. This will provide for a more orderly and efficient disposal of claims falling within the provision of the act. A similar change was made regarding claims under title IV of the act against the Government of Czechoslovakia.

Paragraph 5: This proposal involves technical changes in the language of subsection C of section 8 of the act which would retain the present payment procedures with respect to claims against the Yugoslav Claims Fund in the event future prorated payments are made. This is accomplished by including a reference to paragraph (1) of subsection (b) of section 8, under this amendment.

Paragraph 6: This new subsection authorizes the Secretary of the Treasury to make payments on account of awards certified by the Commission with respect to claims included within the terms of the Polish Claims Agreement of 1960, and provides payment in the order of priority as follows: (1) payment in the amount of $1,000 or in the principal amount of the award, whichever is less; (2) thereafter payments on a prorated basis on account of the unpaid principal balance of each remaining award. This proration will be made on the basis of the total amount remaining in the Polish Claims Fund and available for distribution after initial payments have been made; (3) payments on account of the unpaid balance of each award of interest under the same proration provisions.

Under these provisions it is possible for claimants having awards less than $1,000 to receive payment in full, excluding awards of interest. Claimants who receive awards in principal amounts over $1,000 would receive additional payments on a prorated basis.

Paragraph 7: New subsection (b), section 302, title III, of the act would provide for the ultimate abolition of the Italian Claims Fund, the Italian claims program having been completed, and provide for the transfer of the unobligated balance in the fund ($1,088,623.53), into the War Claims Fund. The rationale for this proposal is that after World War II the Italian Government paid to the U.S. Government the sum of $5 million under the Lombardo agreement, August 14, 1947, in settlement of property damage claims not covered under the peace treaty. No reverter clause was included in the agreement.

Under the War Claims Act of 1948, as amended, among other things provision was made to compensate members of our Armed Forces who were detained as prisoners of war. These benefits were paid out of the War Claims Fund, comprised of blocked and vested German and Japanese assets.

Commission records disclose that approximately 20,000 members of our Armed Forces were detained in or by Italy, and who received prisoner of war compensation at an average of $1,500 each. Thus, roughly, $30 million of German and Japanese assets were utilized to compensate prisoners of Italy. Accordingly, it is recommended that such balances as remain in the Italian Claims Fund be utilized to reimburse, in some measure, the War Claims Fund.

Upon completion of the claims program against the Government of Rumania on August 9, 1959, the Commission had issued 498 awards in the aggregate of $84,729,291 including interest, against a fund in the amount of about $22 million. On March 30, 1960, the Governments of the United States and the Rumanian People's Republic executed an en bloc settlement of these claims of U.S. nationals upon the provisions that Rumania pay to the United States an additional $2.5 million in five equal annual installments.

Inasmuch as the statute now provides that the Rumanian fund shall be comprised only of sums blocked, vested, and transferred by the Attorney General, the additional sums paid by Rumania cannot be covered into the Fund. New subsection (c) provides the vehicle for accomplishing this purpose.

Paragraphs 8 and 9: Paragraph 8 involves technical changes in the language of section 303, title III of the act to permit the addition of a new paragraph "(4)" as contained in the amendment under paragraph 9. The proposal under paragraph 9 makes provision for disposition of a small number of claims against Rumania, included within the agreement of March 30, 1960, which have arisen since August 9, 1955, as well as any additional similar claims which may be included within agreements the United States may make in the future with Bulgaria and Hungary. Negotiations are currently underway with Bulgaria.

Paragraph 10: This proposal requires the normal publication of the claims filing period in the Federal Register.

Paragraph 11: This proposal revamps the award payment provisions with respect to claims against Rumania or by the execution of a future claims settlement agreement with Bulgaria or Hungary in order to insure that new awardees will not obtain a pecuniary advantage over previous awardees. Awardees under the Rumanian program have received approximately 35 cents on the dollar in payments on their awards. This proposal would limit payments on new awards to a like extent, and then permit the residual balance to be distributed proportionately among all awardees.

Paragraph 12: This proposal requires the Commission to wind up its affairs in the Rumanian claims program within a period of 18 months.

TO AMEND THE FOREIGN SERVICE ACT OF 1946, AS AMENDED

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to amend the Foreign Service Act of 1946, as amended, and for other purposes.

The proposed legislation has been requested by the Department of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from Assistant Secretary of State Frederick Dutton, dated February 18, 1963, to the Vice President, and also the Department of State's explanation of the bill and the cost estimates of the proposed legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 948) to amend the Foreign Service Act of 1946, as amended, and for other purposes, introduced by Mr. FULBRIGHT, by request, 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 this Act may be cited as the "Foreign Service Act Amendments of 1963".

SEC. 2. Section 571 (a) and (c) of such Act are hereby amended as follows:

(a) Section 571(a) is amended by changing the final period to a colon and adding "*Provided*, That in individual cases when personally approved by the Secretary further extension may be made."

(b) Section 571(c) is amended by inserting in the first sentence following the word "terms" the phrase "of paragraph (b)" and deleting the second sentence.

SEC. 3. Section 625 of such Act is amended by substituting in the first sentence the words "the same numerical" for the words "a given"; by substituting the words "fifty-two calendar weeks or more, shall, at the beginning of the next pay period" for the words "nine months or more, shall, on the first day of each fiscal year"; and by substituting in the second sentence the words "a Foreign Service officer or a Reserve" for the words "any such".

SEC. 4. (a) Section 911 of such Act is amended by adding a comma and the phrase "including prepayment on a commuted basis" after the word "pay" in the introductory sentence.

(b) Section 911(1) of such Act is amended by inserting after the word "Secretary" the phrase "authorizing annual leave at their home upon reassignment to the United States after service abroad or".

(c) Section 911(2) of such Act is amended to read as follows:

"(2) the travel expenses of members of the family of an officer or employee of the Service when proceeding to or returning from his post on duty; accompanying him on authorized travel to his home on annual leave when he is reassigned to the United States or on authorized home leave; accompanying him for representational purposes on authorized travel within the country of his assignment or, at the discretion of the Secretary, outside the country of his assignment; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;"

(d) Section 911(8) of such Act is amended to read as follows:

"(8) the cost of preparing and transporting to their former homes, or to such other place in the United States as may be determined to be the appropriate place, or to a place not more distant than their former homes, for interment the remains of an officer or employee of the Service who is a citizen of the United States and of the members of his family who may die while the officer or employee is in the Service."

SEC. 5. Section 921(d) of such Act is deleted, restated in a new section 914, and a new heading thereto is added as follows:

"USE OF GOVERNMENT-OWNED OR LEASED VEHICLES

"SEC. 914. Notwithstanding the provisions of section 5 of the Act of July 16, 1914, as amended (5 U.S.C. 78) the Secretary may authorize any principal officer to approve the use of Government-owned or leased vehicles located at his post for transportation of United States Government employees and their dependents when public transportation is unsafe or not available."

SEC. 6. A new section 1051 and part F under title X of such Act are hereby added as follows:

"PART F—CLAIMS

"SEC. 1051. The Secretary may, under such regulations as he shall prescribe, settle and pay claims arising after date of enactment of this section against the United States Government for damage to, or loss of, personal property incident to his service of any officer or employee of the Service in a sum not to exceed $6,500 for a single claim, or replace property in kind: *Provided,* That a claim may be allowed under this section only if: (i) the officer or employee of the Service establishes that insurance was not obtainable at reasonable cost or was unobtainable at reasonable cost or was unobtainable for the risk from which the damage or loss resulted; (ii) it is presented in writing within two years after the damage or loss occurs; (iii) it did not occur at quarters occupied by the claimant within the fifty States or the District of Columbia that were not assigned to him or otherwise provided in kind by the United States; and (iv) such loss or damage occurs without fault or negligence on the part of the claimant or member of his family. Notwithstanding any other provision of law, a settlement of a claim pursuant to this section shall be final and conclusive."

SEC. 7. A new section 1081 and part I under title X of such Act are hereby added as follows:

"PART I—GRANTS TO SCHOOLS

"SEC. 1081. Notwithstanding any other law, the Secretary is authorized to make grants of funds in lieu of or as supplementary to education allowances, for assistance in the establishment, construction, expansion, maintenance, and operation of schools outside the United States, whenever he determines such grant of funds is necessary in order to provide suitable education for children of employees stationed in a foreign area."

The letter and explanation presented by Mr. FULBRIGHT are as follows:

DEPARTMENT OF STATE,
Washington, D.C., February 18, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate.

DEAR MR. VICE PRESIDENT: We are enclosing herewith draft amendments to the Foreign Service Act of 1946, as amended, that the Department of State considers urgently needed for the improvement of the administration of the Foreign Service. In substance, these proposed amendments would:

1. Modify provisions limiting the period officers or employees of the Service may be assigned for duty in any Government agency (including the Department of State) or in any international organization, international commission, or international body. At the present time such assignment is limited to periods of 4 years which may under special circumstances be extended by the Secretary for a period of not more than 4 additional years. The proposed amendment will authorize the Secretary to make further extensions of such assignments on an individual case basis (sec. 571(a)).

Change by making more restrictive the provisions with respect to the payment of salary differentials to Foreign Service personnel assignment to duty in the United States (sec. 571(c)).

2. Simplify payroll procedures by making the effective date of within-class salary increases for Foreign Service officers and Reserve officers at the start of a pay period and equalize their application by making them effective after 52 weeks in class rather than at the beginning of each fiscal year (sec. 625).

3. Grant the Secretary authority to simplify existing procedures incident to Foreign Service travel:

(a) Permitting payment or prepayment of travel expenses on commuted basis (sec. 911).

(b) Providing authority for the travel of officers and employees of the Service and their families for annual leave in connection with rotation assignments to the United States after service abroad (sec. 911(1)(2)).

(c) Providing authority to enable members of the families of officers and employees of the Service to accompany officers or employees for representational purposes within the country of their assignment or at the Secretary's discretion, outside the country of their assignment (sec. 911(2)).

(d) Providing authority to transport the remains of officers or employees of the Service and members of their families to appropriate places of interment anywhere in the United States (sec. 911(8)).

4. Increase the Secretary's authority to use Government-owned and leased vehicles for transportation of Government employees and their dependents abroad when public transportation is unsafe or not available (sec. 914).

5. Simplify procedures to permit quick settlement and payment by the Secretary of legitimate property loss claims incident to service abroad when they do not exceed $6,500 (sec. 1051).

6. Provide the Secretary with authority to grant funds in lieu of or supplementary to educational allowances for the purpose of making available educational services for children of Government employees stationed in foreign areas whenever he determines such a grant of funds to be necessary (sec. 1081).

These proposals provide authority in the administrative field, which we believe are essential for more effective administration of the Foreign Service.

It is hoped that they may be given early consideration during the current session of Congress and that they may receive your support.

The Department has been informed by the Bureau of the Budget that there would be no objection, from the standpoint of the administration's program, to the presentation of the draft legislation to the Congress for its consideration.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary
(For the Secretary of State).

Estimated cost of proposed Foreign Service Act amendments

Item 1: Broadening provisions relating to length of assignments in the United States (sec. 571(a)), first year cost.. 0

COMMENT

There will be no additional cost to retain employees for longer periods in the United States.

Item 2: Change in provisions relating to U.S. salary differentials (sec. 571(c)), first year cost..... (—$41,000)

COMMENT

The reduction in the area of applicability of the U.S. salary differential under this proposal would result in a saving in the amount of $41,000.

Item 3: Change in provision relating to within-class increases for Foreign Service officers and Reserve officers (sec. 625), first year cost.. $80,000

COMMENT

Most officers are promoted during the months of February, March, or April. Thus they would receive their first within-class increase 3 or 4 months sooner under this proposal than they do under present legislation. The cost of this provision can be estimated by multiplying the average number of officers promoted by one-third of the average within-class increase. This amounts to $80,000. Changing the date from July 1 to the beginning of a pay period will reduce administrative costs.

Item 4: Commuted travel plan (sec. 911), first year cost..... 0

COMMENT

There will be no additional costs in connection with this plan, the purpose of which is to permit an eventual substantial reduction in administrative costs.

Item 5. Substitution of annual leave for home leave prior to home assignment (secs. 911 (1) and (2)), first year cost.. 0

COMMENT

This section would not result in any increase in costs and would result in a saving to the Government by virtue of the earlier entrance on duty of personnel assigned to Washington after a tour of duty abroad.

Item 6: Travel expenses for members of families in connection with representation (secs. 911(2)), first year cost..... $40,000

COMMENT

Cost of travel for members of family to accompany officers and employees on official travel for representational purposes is estimated at $40,000.

Item 7: Shipment of remains to place other than official residence (sec. 911(8)), first year cost..... $1,200

COMMENT

The increased cost of shipping the remains of officers and employees and members of their families to the family burial place is estimated to be $1,200.

Item 8: Use of Government-owned or leased vehicles (sec. 914), first year cost..... 0

COMMENT

The proposal authorizes increased use of existing vehicles so the only cost would be a minor increase in fuel expenses which is not possible to estimate.

Item 9: Settlement of employee claims for property damage abroad (sec. 1051), first year cost..... 0

COMMENT

Between June 1950 and June 1961, 266 claims, averaging $1,804, were settled by private laws at a total cost of $479,994. The average annual cost for claims settled during this period was $43,636. It is not anticipated that there wil be any increase in this amount.

Item 10: Grants to schools (sec. 1081), first year cost..... $150,000

COMMENT

A preliminary estimate indicates that grants might be made to 10 schools averaging $15,000 each.

Total estimated cost.....	$271,200
Savings.....	41,000
Net cost.....	230,200

PART H—ASSIGNMENT OF FOREIGN SERVICE PERSONNEL

ASSIGNMENT TO ANY GOVERNMENT AGENCY OR INTERNATIONAL ORGANIZATION

Existing legislation

SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, or in any international organization, international commission, or international body, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years[.]

(c) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary and allowances of the position in which he is serving in lieu of his salary and allowances as an officer or employee of the Service. Any salary paid under the provisions of this section shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII. [No officer or employee of the Service who, subsequent to the date of enactment of the Foreign Service Act Amendments of 1960, is assigned to, or who, after June 30, 1961, occupies a position in the Department that is designated as a Foreign Service Officer position, shall be entitled to receive a salary differential under the provisions of this paragraph.]

Proposed legislation

SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, or in any international organization, international commission, or international body, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years: *Provided,* That in individual cases when personally approved by the Secretary further extension may be made.

(c) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of paragraph (b) of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary and allowances of the position in which he is serving in lieu of his salary and allowances as an officer or employee of the Service. Any salary paid under the provisions of this section shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII.

Section 571(a) is amended to broaden the provisions which limit the period that the Secretary may assign or detail an officer or employee of the Service for duty in any Government agency or in any international organization, international commission, or international body, so that in individual cases the Secretary may extend such assignments for periods beyond 8 years.

It is proposed to repeal the provisions of section 571(c) with respect to payment of differentials except in cases of appointment by the President. The provisions of existing section 571(c) relating to payment of salary differentials after June 30, 1961, resulted from changes made by the Foreign Service Act Amendments of 1960. The Department sought at the time of enactment of those amendments to eliminate the requirement that an officer or employee of the Service assigned or detailed to duty with any Government agency (including the Department of State) receive the difference, if any, between his salary as an officer or employee of the Service and the basic minimum salary of the position to which he was assigned. It was pointed out that there was no longer any justification for this so-called Washington salary differential for officers of the Service assigned to positions in the Department since the integration of the Department and Foreign Service had made the interchange of officers between oversea and Washington asignments a normal procedure. Accordingly, since Washington is, in effect, a post of duty similar to any post abroad the payment of a salary differential was not believed justified.

The Department believes that all officers of the Foreign Service should be treated alike and that no Washington salary differential should be paid to any officer assigned to a position in the United States. By policy determination the Secretary can designate any and all positions in the Department that are occupied by officers and employees of the Foreign Service as Foreign Service officer positions thus eliminating the possibility of the payment of differentials to such persons who are assigned by him to the Department. Secretarial and clerical positions could not justifiably be designated as Foreign Service officer positions, nor could the Secretary designate positions in other agencies, missions, international organizations, international commissions, or other international bodies as Foreign Service officer positions in order to eliminate salary differentials when officers and employees of the Service are assigned to such positions.

The only exceptions to the provision eliminating all salary differentials would be in cases when Foreign Service officers and employees are appointed by the President alone or by and with the advice and consent of the Senate, as described in section 571(b). Such officers would receive the salary of the position to which appointed by the President or their Foreign Service officer salary, whichever is greater.

WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS

Existing legislation

SEC. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in [a given] class for a continuous

Proposed legislation

SEC. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in the same numerical class for

WITHIN-CLASS SALARY INCREASES OF FOREIGN

Existing legislation—Continued

period of [nine months or more, shall, on the first day of each fiscal year], receive an increase in salary to the next higher rate for the class in which he is serving. Without regard to any other law, the Secretary is authorized to grant to [any such] officer additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service.

The purposes of the proposed amendments to section 625 are: (1) to simplify the payroll procedures for processing within-class increases for Foreign Service officers and Foreign Service Reserve officers by making such increases effective at the beginning of a pay period; (2) to equalize the application of such increases by making them effective immediately following the expiration of a specified period in class rather than on July 1 of each year; (3) to permit the use of service in the same numerical class either as an FSR or an FSO toward an increase in the class in which the officer is serving at the time the increase would be due; and (4) to clarify the language relating to increases for meritorious services.

When within-class increases are made effective on July 1 of each year, a pay period is nearly always split, unnecessarily complicating the payroll operation. Under present law, when an officer is promoted to a higher class in October of a given year, he would not have 9 months in class by the following July 1 and would therefore not be eligible until July 1 of the second year following class

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PART B—TRAVEL AND RELATED

Existing legislation

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

The purpose of the proposed amendment of the first sentence of section 911 to add the phrase "including prepayment on a commuted basis" is to grant the Secretary authority to simplify existing procedures incident to Foreign Service travel. Present laws and related regulations pertaining to the travel of personnel and the transportation of their effects do not allow the adoption of simplified procedures which would result in lower costs to administer the Foreign Service travel and transportation system.

To achieve its goal of streamlining administrative operations, the Department must thoroughly revamp its present travel system to eliminate the excessive number of obligating, vouchering and auditing actions generated by Foreign Service travel. The man-hours spent in providing travel assistance to employees, obtaining and evaluating bids for packing and shipping services, issuing Government bills of lading, supervising shipments being sent and received, collecting from employees for excess weights shipped and settling claims represent undue effort and expense which can be curtailed sharply or, in some cases, eliminated by adoption of the commuted travel program.

Approval of the required legislation would permit the Department to prepay on a commuted basis, all costs in connection with fares and shipments of unaccompanied air and surface baggage, as well as household effects, thus overcoming the prohibition on advance of public moneys contained in 31 U.S.C. 529. The cost of each trip would be computed in advance and a single voucher would be processed to effect payment to the

SERVICE OFFICERS AND RESERVE OFFICERS

Proposed legislation—Continued

a continuous period of fifty-two calendar weeks or more, shall, at the beginning of the next pay period, receive an increase in salary to the next higher rate for the class in which he is serving. Without regard to any other law, the Secretary is authorized to grant to a Foreign Service officer or a Reserve officer additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service.

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promotion. By providing for increases after a specified period of 52 calendar weeks, each officer serves the same length of time in class before his first within-class increase. For example: an officer was promoted to FSO–4, on October 8, 1962; under the present system he would not be eligible for within-class increase on July 1, 1963, but would receive a within-class increase on July 1, 1964; under the proposed system he would receive the within-class increase on October 14, 1963.

Under present interpretation, service as an FSR is not credited toward a within-class increase in an FSO class. This has resulted in unjustified delay for an FSR when later appointed as an FSO. Substitution of the phrase "a Foreign Service officer or a Reserve" for the word "such" in existing language is a technical clarification that relates the granting of meritorious service increases directly with Foreign Service officers and Foreign Service Reserve officers. This change eliminates the unintended implication in the present language that such increases relate to those officers who have been in class for a specified period of time.

EXPENSES—GENERAL PROVISIONS

Proposed legislation

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay, including prepayment on a commuted basis—

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traveler prior to the commencement of the journey. Provision would be made for a supplemental payment to cover unusual circumstances such as strikes and acts of God affecting travel beyond the control of the traveler. The traveler would be responsible for making arrangements for his personal travel and for the transportation of his effects, in accordance with pertinent laws and regulations concerning the use of American-flag carriers, American airlines, and other American companies.

The isolated location of many Foreign Service posts, inadequate packing and transportation facilities in some areas of the world, as well as other factors having a direct bearing on a worldwide program of this kind, will cause implementation of the commuted travel plan to proceed slowly. It is estimated that, because of abrupt and unannounced changes in tariffs, unstable rates of exchange and other variables, this plan would not be usable for 20 percent of the transfer cases involving Foreign Service personnel. On the other hand, it is quite possible that it would be valid for the other 80 percent of transfer cases and the potential savings in terms of reduced paperwork would be sizable. These savings, which are not definitive and must be projected over a period of several years, could result in a cumulative reduction in costs to the Government. The initial effort would concentrate on those areas where costs can be established and verified readily.

Approval of legislation permitting establishment of a commuted travel program for Foreign Service travel would result in more effective utilization of available manpower and simplified transportation management.

Existing legislation

SEC. 911.

(1) the travel expenses of officers and employees of the Service, including expenses incurred while traveling pursuant to orders issued by the Secretary in accordance with the provisions of section 933 with regard to the granting of home leave;

Proposed legislation

SEC. 911.

(1) the travel expenses of officers and employees of the Service, including expenses incurred while traveling pursuant to orders issued by the Secretary authorizing annual leave at their homes upon reassignment to the United States after service abroad or in accordance with the provisions of section 933 with regard to the granting of home leave;

The purpose of this amendment is to permit travel to a place of residence in the United States for annual leave when an officer or employee is to be assigned to duty in the United States following duty abroad. Current authority provides for transportation to a place of residence, under such circumstances, only for home leave.

At present an officer or employee is granted home leave after a foreign assignment and before an assignment in the United States if he has completed 18 to 36 months, depending upon his post of assignment, continuous service abroad. Such leave is not necessary from the viewpoint of acquainting the officer or employee with circumstances in his own country to make him a better representative abroad. His assignment in the United States will accomplish that purpose. It is the Department's belief, however, that an employee is entitled to earned home leave after a tour of duty at certain hardship posts and that he should be given an opportunity for such leave before entering on duty for a departmental assignment. On the other hand, an officer or employee who has not served at a hardship post may upon return to the United States need a shorter period of leave in order to refresh himself and his family and to attend to private affairs (putting children in college, visiting aged parents, settling estates, etc.) before taking on a Washington assignment. For such purposes a relatively brief period of annual leave will normally be granted personnel returning from nonhardship posts.

It is therefore proposed that transportation for visits to the home leave address following a foreign assignment and before entering upon a U.S. assignment be paid for by the Government, but that the period of leave be shortened by allowing only annual leave for those on transfer to the United States from posts where living and working conditions have not imposed any particular hardship. Annual leave would be charged for the officer or employee's absence from the time he would have arrived had he made a direct journey from his post to Washington or from the time he arrives at his home leave address which ever is sooner until the time he actually arrives in Washington. However, he will be entitled to actual or constructive travel costs and to per diem for the time that would have been spent in travel status on direct travel to his home leave address. Home leave upon return to the United States for assignment in the Department will normally be granted only after an officer or employee has completed a tour of duty at a post which has been designated a hardship post for rest and recuperation purposes.

Existing legislation

SEC. 911.

(2) the travel expenses of members of the family of an officer or employee of the Service when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

Proposed legislation

SEC. 911.

(2) the travel expenses of members of the family of an officer or employee of the Service when proceeding to or returning from his post of duty; accompanying him on authorized travel to his home on annual leave when he is reassigned to the United States or on authorized home leave; accompanying him for representational purposes on authorized travel within the country of his assignment or, at the discretion of the Secretary, outside the country of his assignment; of otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

Section 911(2) is being amended with respect to travel on annual leave when an officer is reassigned to the United States to conform with the proposed amendment in section 911(1). Further, a new provision is being added to section 911(2) to authorize dependents of Foreign Service officers and employees to accompany them for representational purposes on authorized travel within the country of their assignment or at the discretion of the Secretary outside the country of their assignment.

Experience has shown that representation is frequently conducted more successfully by a man-and-wife team than by an officer alone, and in the case of single or widowed officers, when accompanied by a sister or other adult relative who normally acts as hostess. This has become increasingly significant with the improving status of women in societies throughout the world. In the past, when members of an officer's family have accompanied him on official trips the representational benefit to the United States has frequently been pronounced. The Department does not believe officers should be required to bear this additional expense when the travel of members of family is in the public interest.

Existing legislation

SEC. 911.

(8) [the cost of preparing and transporting to their former homes in the continental United States or to a place not more distant, the remains of an officer or employee of the Service who is a citizen of the United States and of the members of his family who may die abroad or while in travel status:]

Proposed legislation

SEC. 911.

(8) the cost of preparing and transporting to their former homes, or to such other place in the United States as may be determined to be the appropriate place or to a place not more distant than their former homes, for interment the remains of an officer or employee of the Service who is a citizen of the

Existing legislation—Continued

The current provision relating to the transportation of remains of officers and employees of the Service and members of their families is limited to transportation to their former homes or to a place not more distant. Experience has shown that the family burial plot and the place of residence is not always the same. When the cost of the shipment of the remains to such a place is in excess of the cost of shipment to the former home, the difference in cost cannot be paid by the Government. The proposed amendment would permit in appropriate cases the transportation of such remains at Government expense to former homes or to any other place considered appropriate, such as a family burial plot or national cemetery anywhere in the United States.

Proposed legislation—Continued

United States and of the members of his family who may die while the officer or employee is in the Service.

The proposed amendment will also correct an inconsistency in existing authority relating to the transportation of remains of employees and members of their families. When an employee or dependent dies abroad or while in travel status, the remains, the family, and their effects are transported to their place of residence in the United States; if an employee or dependent dies while in the United States but not in travel status, the family and effects may be transported but not the remains. This amendment will make it possible to transport the remains of employees or dependents who die while in the Service, wherever stationed, to an appropriate place of interment anywhere in the United States.

Existing legislation

No existing legislation.

PART B—TRAVEL AND RELATED EXPENSES

Existing legislation

See part C, section 921(d).

Proposed legislation

Use of Government-owned or leased vehicles

SEC. 914. Notwithstanding the provisions of section 5 of the Act of July 16, 1914, as amended (5 U.S.C. 78) the Secretary may authorize any principal officer to approve the use of Government-owned or leased vehicles located at his post for transportation of United States Government employees and their dependents when public transportation is unsafe or not available.

The basic langauge in new section 914 is being taken from existing section 921(d) which is being deleted because reference to use of Government-owned vehicles for the transportation of employees or dependents does not belong under the heading "Commissary services." The existing provisions in this section make it possible for the Secretary to authorize any principal officer to approve the use of Government-owned vehicles located at his post for the transportation of U.S. Government employees who are American citizens and their dependents to and from recreation facilities when public transportation is unsafe or is not available.

The provision authorizing the use of Government-owned transportation to and from recreational facilities has been a useful one but there are many instances over and beyond this need where, in the interest of the safety of the adult and minor dependents of Foreign Service personnel, Government transportation must be used. In many of the newly opened posts in Africa, in certain Asian posts and in the curtain countries, public transportation facilities, if they exist, cannot be considered a safe means of travel for women and children. In fact, in some areas it is not considered safe for an unescorted woman to drive herself or her children on the public thoroughfares, whatever may be the purpose of the travel. Further, in these difficult areas there are certain social functions which for representational purposes our officers and employees and their wives must attend. In many instances, in addition to the absence of safe public transportation privately owned vehicles cannot be left unattended on the streets.

Moreover, in some Foreign Service posts where adequate schools exist for providing elementary and secondary educational services for dependents of U.S. Government employees public transportation facilities to and from such schools are not available or are inadequate.

Government-owned vehicles are available at all posts abroad. They are not necessarily in use constantly for official transportation yet they must be maintained and held in readiness for such use. The principal officer at a post where transportation facilities are unavailable or unsafe should be able to use, in his discretion, facilities that are available to him for whatever purpose they may be needed to provide transportation for employees and their dependents. It is for this reason that the Department seeks the broader authority provided in the new section 914. This section also has been changed to authorize the use of leased vehicles as well as Government-owned ones since there are posts where it is more economical for the Department to lease a few vehicles on a part-time basis rather than to purchase and maintain a full quota of Government-owned vehicles.

The purpose of this amendment is to simplify the procedure for reimbursing, within limits, Foreign Service personnel who suffer property loss incident to service abroad.

The lack of political stability in a number of areas of the world where Foreign Service personnel are stationed, and the incidence of civil disturbance, riot, arson and sundry threats to the property of such personnel have made it certain that the U.S. Government will be presented from year to year with legitimate claims.

Past experience indicates that hasty evacuation of a post in the face of hostilities leads almost inevitably to personal property losses. When Seoul was evacuated in 1950, 24 hours ahead of its takeover by the advancing North Korean Army, American Embassy personnel were evacuated by plane and saved only what they wore and what they could put into one suitcase.

At the present time the Department's Foreign Service Claim Board, operating under administrative regulations, considers

PART C—COMMISSARY SERVICE

Existing legislation

SEC. 921. [(d) Notwithstanding the provisions of section 5 of the Act of July 16, 1914, as amended (5 U.S.C. 78) the Secretary may authorize any principal officer to approve the use of Government-owned vehicles located at his post for transportation of United States Government employees who are American citizens, and their dependents, to and from recreation facilities when public transportation is unsafe or is not available.]

Proposed legislation

Section 921(d) is repealed since this section has been revised and restated as new section 914.

Existing legislation

No existing legislation.

The Department is requesting the authority contained in new section 1081 because over and above existing general authority for aid to education abroad, the Secretary needs to be able to supplement the existing channels of assistance to schools in those instances where none of the existing statutory authorities enable him to insure adequate education for the children of Government employees abroad.

There is existing legislative authority for several types of aid to education abroad. First, two useful and far-reaching programs, but ones that are not designed to meet the needs of children of Government employees abroad, are those which provide demonstration centers in foreign countries to display American educational techniques primarily

Proposed legislation

Part F—Claims

Sec. 1051. The Secretary may, under such regulations as he shall prescribe, settle and pay claims arising after date of enactment of this section against the United States Government for damage to, or loss of, personal property incident to his service of any officer or employee of the Service in a sum not to exceed $6,500 for a single claim, or replace property in kind: *Provided,* That a claim may be allowed under this section only if: (i) the officer or employee of the Service establishes that insurance was not obtainable at reasonable cost or was unobtainable for the risk from which the damage or loss resulted; (ii) it is presented in writing within two years after the damage or loss occurs; (iii) it did not occur at quarters occupied by the claimant within the fifty States or the District of Columbia that were not assigned to him or otherwise provided in kind by the United States; and (iv) such loss or damage occurs without fault or negligence on the part of the claimant or member of his family. Notwithstanding any other provision of law, a settlement of a claim pursuant to this section shall be final and conclusive.

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claims for noninsurable losses incurred by Foreign Service employees as a result of emergency conditions and recommends approved cases to the Congress for settlement under private bills. For losses sustained since the evacuation of personnel from Seoul, Korea, in June 1950, 15 claims have been approved by the Claim Board, 11 of which have been settled under four separate private laws approved by the 83d, 85th and 86th Congresses. Four of the fifteen cases were recommended to the 2d session, 87th Congress, for reimbursement. No action was taken on these claims prior to adjournment of that session of the Congress.

The proposed amendment would provide a permanent vehicle for the quick settlement of legitimate claims, thus enabling personnel who have suffered losses to replace them, at least in part.

This proposal would be similar to authority presently vested in the Secretary to settle tort claims abroad involving State Department operations.

Proposed legislation

Part I—Grants to Schools

SEC. 1081. Notwithstanding any other law, the Secretary is authorized to make grants of funds in lieu of or as supplementary to education allowances, for assistance in the establishment, construction, expansion, maintenance, and operation of schools outside the United States, whenever he determines such grant of funds is necessary in order to provide suitable education for children of employees stationed in a foreign area.

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for the benefit of the local population. The programs are under the direction, respectively, of State's Bureau of Educational and Cultural Relations and of AID. Although in some few instances these programs provide benefits to children of Government employees abroad when no more suitable arrangement can be made, the use for such purposes is extremely limited.

Legislative authority exists for two kinds of aid to schools attended primarily by dependents of Government employees. These, however, are primarily of benefit to the dependents of military and AID personnel. One is the military dependents' school system which is concentrated in areas where troops are stationed. The other is the new authority in section 636 (c) and (d) of the AID legislation which authorizes assistance to schools for dependents of Government employees in areas where the AID program is operating.

A third major kind of assistance in education is that provided in 1955 through which educational allowances may be granted to parents to defray the costs of obtaining an adequate education for their children. Valuable as this program is, it is not the complete answer. It is dependent upon the existence of adequate educational facilities and the willingness of local educators and the officials of the host government to cooperate. Where no adequate facilities exist or where there is opposition to the participation of the dependents of U.S. Government employees in existing systems, educational needs can be met best by capital grants.

With the requested new authority in the Foreign Service Act, the Secretary will be able to supplement the existing channels of assistance to schools in those instances, as in Iron Curtain countries, where none of the existing statutory authorities can meet the need.

The Secretary of State needs authority to supplement existing educational facilities or to provide new ones where they are not available through the grant of funds over and above existing legislative authority which cannot meet the needs for educational services to dependent children in certain areas. This amendment will provide stopgap legislation to be used only on a very limited basis until total legislation can be developed on aid for education for dependents of employees of all civilian agencies overseas.

TO AMEND THE UNITED NATIONS PARTICIPATION ACT, AS AMENDED

Mr. FULBRIGHT. Mr. President, by request I introduce for appropriate reference a bill to amend the United Nations Participation Act of 1945, as amended by Public Law 341, 81st Congress, October 10, 1949, to grant the President wider discretion in the assignment of top level personnel of the U.S. mission to the United Nations, including their rank and status as ambassadors or ministers, and to give the U.S. representative discretion to assign these top representatives to the various organs of the United Nations in accordance with workload and other considerations; to authorize the President to appoint a U.S. representative to the European office of the United Nations and other international organizations; and to authorize payment of a housing allowance to certain officers assigned to the U.S. mission to the United Nations.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of State dated February 12, 1963, to the Vice President in regard to it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 949) to amend the United Nations Participation Act, as amended (63 Stat. 734–736), introduced by Mr. FULBRIGHT, by request, 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 subsections (a), (b), and (d) of the United Nations Participation Act of 1945, as amended by Public Law 341, Eighty-first Congress, October 10, 1949, are hereby further amended to read as follows:

"(a) The President, by and with the advice and consent of the Senate, shall appoint a representative of the United States to the United Nations who shall have the rank and status of Ambassador Extraordinary and Plenipotentiary and shall hold office at the pleasure of the President. Such representative shall represent the United States in the Security Council of the United Nations and may serve ex officio as representative of the United States in any organ, commission, or other body of the United Nations other than specialized agencies of the United Nations, and shall perform such other functions in connection with the participation of the United States in the United Nations as the President may, from time to time direct.

"(b) The President, by and with the advice and consent of the Senate, shall appoint additional persons with appropriate titles, rank, and status to represent the United States in the principal organs of the United Nations and in such organs, commissions, or other bodies as may be created by the United Nations with respect to nuclear energy or disarmament (control and limitation of armament). Such persons shall serve at the pleasure of the President and subject to the direction of the representative of the United States to the United Nations. They shall, at the direction of the representative of the United States to the United Nations, represent the United States in any organ, commission, or other body of the United Nations, including the Security Council, the Economic and Social Council, and the Trusteeship Council, and perform such other functions as the representative of the United States is authorized to perform in connection with the participation of the United States in the United Nations. Any deputy representative or any other officer holding office at the time the provisions of this Act, as amended, become effective shall not be required to be reappointed by reason of the enactment of this Act, as amended.

"(d) the President may also appoint from time to time such other persons as he may deem necessary to represent the United States in organs and agencies of the United Nations. The President may, without the advice and consent of the Senate, designate any officer of the United States to act without additional compensation as the representative of the United States in either the Economic and Social Council or the Trusteeship Council (1) at any specified session thereof where the position is vacant or in the absence or disability of the regular representative or (2) in connection with a specified subject matter at any specified session of either such Council in lieu of the regular representative. The President may designate any officer of the Department of State, whose appointment is subject to confirmation by the Senate, to act, without additional compensation, for temporary periods as the representative of the United States in the Security Council of the United Nations in the absence or disability of the representatives provided for under section 2 (a) and (b) or in lieu of such representatives in connection with a specified subject matter."

SEC. 2. Section 2 of such Act is hereby further amended by redesignating subsections (e) and (f) to be subsections (f) and (g) respectively; and by adding after subsection (d) the following new subsection:

"(e) The President, by and with the advice and consent of the Senate, shall appoint a Representative of the United States to the European Office of the United Nations with appropriate rank and status who shall serve at the pleasure of the President and subject to the direction of the Secretary of State. Such person shall, at the direction of the Secretary of State, represent the United States at the European Office of the United Nations, and perform such other functions there in connection with the participation of the United States in International Organizations as the Secretary of State may, from time to time, direct."

SEC. 3. Such Act is hereby amended by inserting after section 8 the following new section:

"SEC. 9. The President may, under such regulations as he shall prescribe and notwithstanding the provisions of sections 1765 and 3648 of the Revised Statutes, as amended (5 U.S.C. 75; 31 U.S.C. 529), grant certain officers having important representation responsibilities as determined by the Representative of the United States to the United Nations, an allowance adequate to defray the additional housing costs necessitated by such representational responsibilities during the period such officer is assigned for duty in the continental United States as a member of the United States Mission to the United Nations."

The letter presented by Mr. FULBRIGHT is as follows:

FEBRUARY 12, 1963.

DEAR MR. VICE PRESIDENT: I submit herewith a proposed draft amendment to the United Nations Participation Act of 1945, as amended by Public Law 341, 81st Congress, October 10, 1949, to grant the President wider discretion in the assignment of top level personnel of the U.S. mission to the United Nations, including their rank and status as ambassadors or ministers, and to give the U.S. representatives discretion to assign these top representatives to the various organs of the United Nations in accordance with workload and other considerations; to authorize the President to appoint a U.S. representative to the European Office of the United Nations and other international organizations; and to authorize payment of a housing allowance to certain officers assigned to the U.S. mission to the United Nations.

The United Nations Participation Act now authorizes a representative and a deputy representative of the United States at the United Nations, both of whom shall have the rank and status of Envoy Extraordinary and Ambassador Plenipotentiary. In addition, another deputy representative to the Security Council is authorized and the President also may appoint, from time to time, such other persons as he may deem necessary to represent the United States in the agencies of the United Nations including the Economic and Social Council and the Trusteeship Council.

Ambassador Stevenson has found this to be unnecessarily rigid and it is proposed that the provisions specifying the number and the role of the deputies and their diplomatic titles be deleted. In lieu thereof, the proposed amendment would authorize the President to appoint such additional persons with appropriate title, rank, and status as he deems necessary to represent the United States in the principal organs of the United Nations. In addition, these officers would, at the direction of the U.S. representative to the United Nations, represent the United States in any organ, commission, or other body of the United Nations including the Security Council, the Economic and Social Council, and the Trusteeship Council and perform such other functions as the U.S. representative is authorized to perform.

These changes will permit the U.S. representative to organize his staff and assign their duties as he deems necessary to accomplish his mission effectively. In the case of the two deputy representatives, Ambassador Stevenson has in mind that they should be alter-egos of the U.S. representative and available to represent the United States in any way in which he himself is able to do so. Although the proposed amendment gives the U.S. representative greater flexibility in determining assignments, it remains appropriate for an individual who was to be appointed, for example, to spend most of his time on the Economic and Social Council, to be appointed as representative to that Council, and that the Senate in advising and consenting on his appointment would consider primarily his ability and qualifications to fulfill those duties. This, however, would be on the understanding that if the U.S. representative to the United Nations found it desirable to utilize him temporarily as representative to one of the other organs, he would be in a position to do so.

The amendment also provides that persons who would represent the United States in the principal organs of the United Nations, including bodies that may be created by the United Nations with respect to nuclear energy or disarmament would be appointed subject to the advice and consent of the Senate. Persons appointed to represent the United States in other organs, commissions, and bodies of the United Nations would not require the advice and consent of the Senate.

It is not intended that enactment of this amendment would necessitate the reappointment of any person holding office at the time of its enactment.

The United States maintains a mission to the European office of the United Nations and other international organizations at Geneva. Geneva has become increasingly important as the site of many international conferences and organizations, and the responsibilities of our mission there have increased commensurately. Therefore, it is proposed in this amendment that the President, by and with the advice and consent of the Senate, shall be authorized to appoint a representative of the United States to the European office of the United Nations with appropriate rank and status who shall serve at the pleasure of the President and subject to the direction of the Secretary of State. In addition to representing the United States at the European office of the United Nations, such person shall perform such other functions in connection with the participation of the United States in international organizations as the Secretary of State may direct.

The proposed amendment to provide a housing allowance for officers of the U.S. mission in New York is to remove the anomaly resulting from the location in the United States of the United Nations. The functions performed by the officers are identical to those performed by officers in similar positions in our Foreign Service missions abroad. However, the quarters allowances authorized by law to our representatives to foreign countries and to international organizations whose headquarters are located outside the United States are not paid to members of the U.S. mission to the United Nations.

The United States, as the host nation, can expect and must respond to the many opportunities for the effective social intercourse of representational activities. Foreign delegations look upon the U.S. mission to the United Nations as bearing a special responsibility in this area, and they expect to be invited to the homes of the members of the mission. Officers assigned to the U.S. mission are expected to maintain private living quarters in the vicinity of the United Nations in order to discharge their representational responsibilities more effectively for the convenience, and in the interest, of the Government. These representational duties are for the most part discharged outside office hours, this being an obligation not imposed on other Federal Government officers stationed in New York.

The expansion of the United Nations to the present total of 110 countries has greatly increased our responsibilities as host government. The problem of making known our Government's policies and determining the policies of the other governments has become of paramount importance. One of the most effective means of doing this is at small social gatherings; but in the past our contacts with other delegates have tended to be largely limited to public meetings, to corridor encounters and hasty restaurant luncheons. It is my firm belief that the personal type of representation, which is least expensive in the long run, brings about a greater understanding between our officers and their colleagues. It allows for creation of a family interest and an exchange of divergent views in the relaxed surroundings of a private American home, which make a pleasant and sympathetic atmosphere for diplomacy. Such entertainment creates good will and does not leave the impression that we are only concerned with immediate and pressing problems in the United Nations. Unfortunately, most of our officers assigned to the mission in New York have not generally been able to carry out their duties in such atmosphere. The reason is that they would be subjected to considerable personal expense in maintaining quarters adequate for such representational purposes.

A major portion of the representational functions in the past have been held in public places, with the exception of those held in Ambassador Stevenson's apartment at the Waldorf. His quarters are, as you know, rented by the Government. Although he is able to bring together the mission's officers and delegates of the foreign missions at representational functions at his suite, it is not the same as these officers entertaining their counterparts in their own homes. A very limited number of our officers, using their personal funds, have been financially able to consider this problem of representation in renting adequate apartments in Manhattan. On the other hand, most of our officers have not been able to assume this added expense and either rent small apartments in Manhattan of inadequate size for representation activities, or have found it necessary to live in the suburbs where such activities are very difficult. For this reason, some of the effectiveness of these officers is lost to the mission. They themelves are placed at a disadvantage with respect to their opposite numbers in other delegations who are receiving rental allowances and the other additional compensations usually enjoyed by diplomats serving abroad.

There is need for a new allowance to defray the added costs which certain officers of the U.S. mission are forced to incur if they are to obtain and maintain housing that is adequate for the proper discharge of their representational duties. The amount of this allowance would represent the difference between cost of adequate representational housing and the cost of housing which an officer concerned would have if he had no representational responsibilities. We intend to limit eligibility to those officers having more than usual representational responsibilities, and the total cost for their housing allowances would be approximately $60,000 per annum.

The submission of this proposed legislation has been approved by the Bureau of Budget as being consistent with the administration's objectives.

Sincerely yours,

DEAN RUSK.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. HART. Mr. President, I send to the desk and ask for its appropriate reference a bill to amend the Agricultural Adjustment Act.

This bill would authorize, but not make mandatory, the assignment of class I bases among dairy farmers within a Federal milk marketing order in a manner reflecting the actual utilization of fluid milk within the given market. The essential purpose of this proposal is to authorize the producers within a marketing order to receive payment for their class I fluid milk in line with their actual base and a surplus price for production in excess of their base.

Under the present Federal order program unfortunately there is an incentive to the producer to continue expansion of his production because he is rewarded through a blend price for milk production which goes into manufacturing uses. Thus surplus milk from the Federal order markets floods the manufacturing markets and eventually results in substantial surplus accumulation under the support program.

I realize that this proposal leaves substantially unanswered one of the difficult problems regarding this class I base plan, namely a means of orderly sale or transfer of bases from one producer to another. Hearings on this and related proposals will be necessary to develop sound answer to this problem. It is possible that such a plan could operate for 1 or 2 years before we find the best manner in which to provide for such transfers or sales. I am hopeful that all concerned with the future well-being of the dairy producer will contribute to perfecting this proposal during the hearings in order that Congress can enact sound legislation before the close of the present session.

The bill which I introduce today is essentially the proposal suggested by the National Milk Producers Federation, which proposal has received the endorsement of the Michigan Milk Producers Association.

I ask unanimous consent that there be printed at this point in my remarks a copy of the resolution adopted by the Michigan Milk Producers Association, the text of the bill, a memorandum explaining the bill, and comments which I made on this subject at the annual meeting of the Michigan Allied Dairy Association in Detroit on February 13.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, resolution, memorandum, and comments will be printed in the RECORD.

The bill (S. 953) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and for other purposes, introduced by Mr. HART, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, 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 Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by adding at the end of section 8(c)(5) the following new subparagraph (H):

"(H) Allocating, or providing a method for allocating, to each producer under a marketing order a percentage of total sales, as defined in the order, in any one or more use classifications higher than the lowest priced use classification which percentage shall be determined by relating total deliveries of milk accounted for under the order made by each such producer during a representative period, as determined in the order, to such total sales during such representative period, due allowance being made, in the provisions of the order, for abnormal conditions, hardship cases, and new producers, including new producers thereafter entering the market. Such allocations may be adjusted from time to time, or new allocations may be made, by amending the order. The provisions of this subparagraph may be applied notwithstanding subparagraphs 8c(5)(B) and 8c(5)(G). Regulations and order provisions under this subparagraph shall be applied equitably among producers and among handlers and may provide for the effective application of such allocations to such sales made by any handler. All of the remedies available to handlers under section 8c(15) shall be available to producers for the purposes of this subsection. Order provisions under this subparagraph shall not become effective in any marketing order unless separately approved by producers in the same manner provided for the approval of marketing orders. Disapproval of order provisions under this subparagraph shall not be considered disapproval of the order or of other terms of the order. Order provisions under this subparagraph may be terminated by separate vote in the same manner provided for the termination of marketing orders. In the case of marketing orders calling for individual handler pools under subparagraph 8c(5)(B)(i), the allocations provided for herein may be applied to each handler and to the producers delivering milk to such handler."

The resolution, memorandum, and comments presented by Mr. HART, are as follows:

RESOLUTION ADOPTED BY MICHIGAN MILK PRODUCERS ASSOCIATION

GOVERNMENT FARM PROGRAMS

(a) National milk production quotas administered by the Federal Government provide no assurance of any improvement in dairy farmers' net income. They would be regid and inflexible and would deprive dairy farmers of any voice in their administration or interpretation to meet local conditions. We, therefore, oppose national production quotas.

(b) We believe dairy farmers' net income can best be protected by continuation of the present price support program providing for not less than 75 percent of parity. We direct our association to vigorously support retention of this program as provided by the Agricultural Act of 1949.

(c) We favor amending the Agricultural Marketing Act to permit the use of transferable class I bases administered under the Federal milk order program. We believe that such class I base programs should be made effective only after separate producer referendum.

Sincerely yours,

GLENN LAKE,
President.

DAIRYMEN'S CLASS I BASE PLAN

The proposed legislation further amends the Agricultural Marketing Agreement Act of 1937, as amended. This bill in no way changes the presently authorized provisions of Federal milk marketing orders, nor does it change the statute as applied to other commodities.

The bill authorizes, but does not require, the assignment of bases reflecting an allocation of fluid-milk utilization among dairy farmers supplying any given market under a Federal order.

The purpose of the bill is to make it possible for a fluid-milk producer, upon his own option, to deliver his allocation of the market's requirements (plus necessary reserve) and to receive a price for such deliveries closely related to the class I price.

Under present methods of pooling returns among farmers, each dairy farmer receives an average or blend price for all his milk deliveries with no distinction made between the part representing fluid-milk sales at the class I price and the part representing surplus milk at the manufacturing milk price. Under this system the actions of any dairy farmer to balance his production with market requirements for class I fluid milk are thwarted by the fact that his production is only a very minor part of the total market purchases and the loss of his production in total would not affect the market statistics.

This bill would not increase consumer prices for milk. It would encourage reduction of the national milk surplus, and thus serve to reduce the cost of supporting prices paid dairy farmers. Of greatest significance, however, the provisions of this bill would permit a dairy farmer to sell fluid milk at a price closely related to the class I price without forcing him to take an average price because other dairy farmers increased production or continued to market surplus milk.

Base plans which have been used under Federal orders are intended only to effect a leveling of production on a seasonal basis over a single year period. Such bases are established on production history alone, usually for a short period (few months), and are not related to market requirements. To the extent that the total of such bases exceeds market requirements, as is often the case, base prices paid become average prices and are subject to the same objections as market blend prices. This bill is intended to relate the total of bases to the market's requirements—production leveling would be a resultant byproduct, not the primary objective.

The dairymen's class I base plan provides opportunity for a new method for distributing the money in the producer pool as defined in a particular order to the producers eligible to receive payment from that pool under the terms of that order. The amount of money in the producer pool of any order is determined by the specific terms of that order as to class prices, pool plant qualification, producer definition, and use allocation—not by producer base rules.

Any base established entitles the holder of such base to a pro rata share of class I sales upon which he can rely and to which he can adjust his individual production. Such base becomes an approximate limit upon the amount of milk for which the producer can expect to receive a price above the surplus price. It is, however, a limit upon that portion of his production on which he may receive the higher price—it is not a limit upon his total production. The effect upon production of such a program would be to eliminate the incentive which blend pricing affords by offering the blend or average price for additional milk which has only a surplus value. The blend price exerts a direct effect upon the supply of milk. This is the price the producer receives for any and all deliveries. This plan is designed to change such an effect. It is intended to reflect to producers the class prices which the market returns as the value for the various uses of milk. The producer would then make production decisions based on two different prices—free of the effects of

actions which other producers may take. It is designed to let supply and demand work, without the obscuring effects of blend pricing.

In some markets milk supplies in relation to fluid milk requirements are in better balance than in other markets. This bill makes the adoption of the base plan permissive on an individual market order basis. Adoption of a base plan may necessitate a review of the interpretation of the pricing standards under the act, and place a different emphasis upon other terms of the act.

1. What are the objectives of this plan?

The principal objectives are to (1) eliminate the basic defect of blend pricing which returns to milk producers a price higher than the manufacturing milk price for deliveries in excess of the requirements for fluid milk products, (2) permit individual producers to produce in line with market requirements for fluid milk products without having their prices reduced by present surplus or increased production of other producers, (3) provide individual producers an opportunity to increase net income, and (4) reduce the national dairy surplus and the cost to taxpayers of the dairy support price program.

2. Is this plan production control?

No. It does not limit any producer to any maximum quantity of milk he is allowed to produce or sell. It does not place any physical limitations on the number of cows he may keep. It does not limit in any way any factor of production or sale of milk. It allows producers in a given market, at their own option, to receive a price for base milk related to the class I price, and a lower price related to manufacturing milk value for any milk in excess of base sold, instead of a single blended price for all milk.

3. How can this plan be expected to reduce the dairy surplus?

Reduction of the national dairy surplus is one of the principal objectives of the dairymen's class I base plan. The plan can be expected to accomplish this in a number of ways:

(a) By reducing the incentive to produce surplus milk under the Federal order program. Approximately half of the milk produced in the country is marketed under Federal milk orders. Under some of these orders there is now a high degree of surplus. Under others there is only a moderate amount. Under still others there is no surplus. The base plan would allow each market to establish surplus reducing incentive in line with the degree of surplus existing in each respective market—be it a lot or a little. Several Federal order markets now have a surplus of 10–25 percent or more and have blended prices of $4 per hundredweight or more and a surplus class price of approximately $3. The base plan would discourage production of surplus by reducing the price paid for surplus production from $4 or more per hundredweight to about $3.

(b) By relieving producers of the pressure they are now under to continually produce more milk, hence, more surplus, as the only available means of maintaining the size of their milk checks to keep up with increasing production costs. The single blend price system we have now penalizes a producer who might try to keep production in line with his share of the class I market. The penalty is in the form of a lower blended price caused by the increased surplus production of other producers. His only recourse is to engage in a surplus production race with his neighbor. The base plan, by treating each producer as an individual relative to his production and his market, frees each producer from this penalty and the incentive to produce unneeded surplus milk. The result should be a reduction in surplus.

(c) By using the order to build into the market price structure incentives to adjust supply in line with class I demand. This is done by a number of interrelated factors, all of which aim in the general direction of supply-demand balance. Such incentives should operate toward a reduction of the Nation's dairy surplus.

4. What effect will base plans have on the cost of the national dairy support program?

Since the dairymen's class I base plan provides voluntary incentives to reduce production, it should reduce the surplus and in this way should reduce the cost of the support program. Such plan should result in reduced expenditures by the Congress.

5. What will this plan cost to administer?

The Federal order administrator's offices are set up and functioning. Many of them are already administering seasonal base plans. Administration of Federal milk orders has been competent and efficient since its inception. It is supported by the industry at no cost to the taxpayer as will be this program.

6. How does this plan avoid being a trade barrier?

First we must clarify the term "trade barrier." On the production side of the dairy industry the class I price for milk in any given milk market is never high enough to permit dairy farmers in every other part of the country to compete. This is because milk's natural characteristics result in high cost of transportation, thereby giving a natural advantage to dairy farmers nearby a given market. This is why class I prices decrease with distance from the market center and why class I prices vary among markets.

Reflection of natural characteristics of production and marketing through geographic variations in milk prices does not constitute a trade barrier. The dairymen's class I base plan is not a trade barrier. Only if a base plan in a particular order contained features which kept out milk from other supply areas to preserve an artificially high class I price or an artificially low surplus price would it be a trade barrier within the meaning of section 8c(5)(G) of the act, and such an effect is not intended.

7. Does the plan require any changes in language or interpretation of class I pricing standards of the act (sec. 8c18)?

Language—no; interpretation—yes. The pricing standards are as follows:

"The prices which it is declared to be the policy of Congress to establish * * * shall reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates, insure a sufficient quantity of pure and wholesome milk, and be in the public interest (and) thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices."

The dairymen's class I base plan is designed to improve the application of supply-demand pricing now provided in the act. The phrase "other economic conditions" in the present standard makes it sufficiently broad to be properly applied to the base plan without change in language.

Certain changes in interpretation of the present standard from its past application to single blend pricing would be necessary. For example, the pricing standard has been interpreted to require automatic supply-demand adjusters in class I pricing formulas. The base plans provide incentives and opportunities to individual dairy farmers which are designed to improve upon this application of supply-demand pricing. For this reason, if a base plan is introduced, the necessity of retaining the supply-demand factor in the orders present class I price formula needs to be reevaluated.

With the task of obtaining a supply-demand balance in the order given over to some extent to the base plan, the general level of the class I price can reflect other objectives such as an equitable income goal for producers, changes in production costs, and costs of available alternative supplies of milk from other supply areas all of which may properly be considered encompassed in the phrase in the present pricing standard, "* * * other economic conditions * * *."

The various incentives among producers set in motion by a base plan particularly with respect to the market's milk supply, necessitate reinterpretation of the class I pricing standards of the act because supply-demand forces under the order will be influenced in a different manner than under present operations. For this reason they must be taken into account in a proper determination of what the class I price should be in conjunction with a base plan.

8. Does the plan require any changes in pricing milk used for manufacturing under Federal orders?

No. Under the plan milk marketed in excess of fluid milk requirements will be priced on the same basis as under the current orders. The lowest use class price must be at a level at which milk will be accepted for processing, and in line with nationwide values of manufactured dairy products. This class price in Federal orders now reflects national competitive forces affecting the supply of milk of dairy farmers delivered to manufacturing plants not regulated by Federal orders and the consumer demand for dairy products (butter, cheese, ice cream, evaporated milk, etc.) including the level of the price-support program. To the extent that the base plan becomes an inducement to producers to market less excess milk, thereby reducing the national dairy surplus, there might be some impact on prices in the manufacturing milk market. This in turn automatically would be reflected in the surplus class price under orders. This effect would be indirect. No amendments to surplus class price formulas should be required as a result of the base plan.

9. What effect would this plan have on the dairy price-support level?

In orders where the plan is adopted bases will be related to market requirements for fluid milk products, and the undesirable effects of blend pricing eliminated. The result should be a closer alinement of market supplies with market requirements. The plan does not provide for positive reduction in total supplies; but with closer adjustment to market requirements on a market-by-market basis, the pressure to reduce support prices will be relieved.

10. How would bases be applied?

There are a number of details involved in applying the necessary individual producer bases required by the plan.

There are a number of different ways that bases could be applied. One way would be to establish for each producer under an order a base expressed in pounds per day or per pooling period. These bases would be predicated upon deliveries during a prior representative period, adjusted to reflect the total fluid milk utilization of milk allocated to producers, plus a reasonable necessary reserve. These bases then could be projected 1 year in advance from a specified beginning date, which would be the first day of a given month. Then each month the Market Administrator would compute, as separate totals, all base milk and all milk in excess of base delivered to handlers by all producers under the order. He would first assign milk used in the lowest class to excess milk, and compute a blend price for base milk consisting of the weighted average class use value of the remaining milk in the pool. Each producer would be entitled to this base price for his base milk, and the lower class price for any excess.

Another way would be to have the plan optional in the sense that producers under

a given order who so wished could apply for bases for their share of class I only, without other producers being required to have bases. Those who applied would have the market's class I milk assigned to their base first, and milk in the lowest price class assigned to their excess first. They would then be entitled to the class I price for base milk and only the lowest class price for their excess. For producers who did not apply for bases a single blended price would be computed from the remaining class uses of milk remaining unassigned to base or excess.

For orders where the plan is applied by requiring all producers to have a base, the bill allows for the inclusion within base of a reserve above actual sales of fluid milk products to cover the day-to-day and week-end variations in sales. This is expressed as a percentage above monthly average of sales. The percentage of reserve considered necessary is variously estimated among markets at between 10 and 25 percent of actual sales in the month of lowest production seasonally. The reserve milk is actually used for manufacturing in the lowest price for lack of a market in a higher priced class. The price for base milk where reserves are thus included in base will reflect some milk at the manufacturing price class ranging from the defined percentage of reserve in the shortest production month to higher proportions in the flush season to the extent of the seasonal range in the particular market.

The pooling procedure must also allow for the eventuality of all producers together delivering less base milk than the volume of class I sales, but with some individual producers delivering some excess.

11. What is the base period?

The representative period for determining bases should be a period preceding the date that the plan, ending as close to the start of the plan as possible. It may include all or portions of more than 1 year. Each market need not have the same base period years nor the same length of period. Factors which should guide the Secretary in his selection of the period for a given market should include local customs regarding any current base plan, desires of producers affected, past trends in market supply, abnormal conditions, shifts in supply sources, availability of data, etc. The computations necessarily require time which can be provided only by some lag between the base period and the time of application of bases.

12. How are bases determined and changed?

The bill provides for making due allowance for abnormal conditions and hardship cases.

These terms are meant to apply to the base period. If a producer's total deliveries in the base period were low due to an abnormal condition, he might be entitled to an adjustment in his base to offset the effect of the abnormal condition.

The allocation concept also includes the opportunity to adjust all bases periodically in line with changes in sales of the products on which the initial base allocations were made.

Another way that a given plan might allow all bases to be changed periodically (such as annually) would be the use of a 2-, 3-, 4-, or 5-year moving or rolling average base according to deliveries or a new base every year in the case of a 1-year base plan. In this way a producer's increase, or decrease, in deliveries each year would have an effect on his next year's base to the extent of 100 percent, 50 percent, 33⅓ percent, 25 percent, or 20 percent of the change depending on whether the base period is 1, 2, 3, 4, or 5 years long. If this type of automatic adjustment were allowed, it would also be necessary to refigure every year the percentage of total market deliveries to normal supply requirements and apply this percentage to prevent automatic base adjustment from getting the sum total of the market's bases out of line with normal supply requirements.

Another way that an individual producer could change the size of his base would be to obtain part or all of the base of another producer. (See more detailed explanation of this under "To what extent would bases be transferred.")

In summary the bill would provide for bases to be changed in a number of ways depending on the circumstances of individual producers and market conditions, with considerable flexibility allowed on each market to provide for changes to best meet its needs.

13. How does a new producer obtain a base?

The bill specifies that the sales allocation (base) must make "due allowance" for "new producers including new producers thereafter entering a market." This means that the plan must provide some means for new producers to obtain a base. This is one of the safeguards provided which would prevent any base plan under this bill from becoming a trade barrier. The particular procedure or basis for granting bases to new producers would depend on the particular local market situation, as developed in the required hearing. A number of different methods of accommodating new producers could be used, and should be allowed consideration, such as:

1. A small percentage of the total market's base to be set aside out of which new producers could be granted bases according to some prescribed performance rules.

2. A new producer to be allowed average market value (or some specified percentage thereof) for a period equal to the base period, after which he is given a base according to his deliveries.

3. New producers allowed to earn a base according to deliveries but required to take the excess price while earning a base.

4. New producers allowed to obtain bases from other producers.

14. To what extent would bases be transferable among producers?

The bill specifies no particular degree of transferability. All past experience with any type of base plan, for whatever purpose, and whether privately operated or under Government auspices, indicates a need for some degree of transferability. The tighter the base in terms of limitation of opportunity for adjustments, the greater the need for freedom of transferability and vice versa.

This is for the purpose of preventing a tight base plan from freezing producers to their production at some point in time in such a way that they are hampered from making future shifts in resource allocation to improve efficiency.

There is a need for limiting transfer of base to milk producers to avoid the abuse of their being acquired and hoarded for coercive purposes by anybody, particularly persons who are not milk producers.

On this detail of a base plan, as in any other described above, there is need for flexibility among orders.

15. To what extent would bases be transferable among markets?

Base allocations are claims upon the class I returns from a market to the producer milk delivered in that market. Ownership of a base on a particular market is of on value unless the holder delivers milk to that market. Individual producer bases are determined by deliveries of such producer during a predetermined representative period. The terms of each of the individual orders could recognize deliveries of producers transferring between markets.

16. In what way would a base plan affect intermarket movements of milk?

Base plans are not intended to encourage either more or less intermarket movements of milk. Intermarket class prices relationships, rules for pool participation and type of pool are the features of orders, along with the natural characteristics of milk production and marketing, which determine intermarket movements of milk. Since base plans are to be applied only to the producer milk under an order, any inshipments of other milk would not be affected by the base plan. Shifts of producers from one market to another would be affected by whatever rules the base plan provided for allowing new producers in a given order to obtain base, as explained in the answer to the question concerning transferability of bases.

17. Does the plan provide any maximum or minimum on individual bases?

No. The average size of producers varies among Federal order markets from less than 500 pounds of milk per day in some areas of highly diversified farming to more than 13,000 pounds per day in other markets where dairying is characterized by a few large feedlot type of milking herds. Because of these wide variations in production conditions, any base ceiling to be prescribed by the law would have to be so high as to be meaningless or else it would work a hardship and discriminate against the normal pattern of family farms in some areas. If any performance standard with respect to base sizes is needed, it could be considered in the hearing for a base plan for a given market.

18. What effect would this plan have on other farm crops or livestock products?

The effect of this plan on other farm crops or livestock products would be limited to the release of production resources from dairying to the extent that dairymen adjusted production to meet market requirements.

19. How will this plan affect producer-handlers?

To the extent that acquisition of base becomes another requisite in expansion of operations as a producer, producers could turn to the exempt status of producer-handlers to facilitate expansion. This may become one more reason for eliminating producer-handler exemptions or, at least, limiting the size of producer-handlers' operations to which exemptions may apply.

20. What would be the effect of this plan on producers of manufacturing grade milk?

The plan's purpose is to eliminate the payment of any part of the money derived from class I sales for surplus milk delivered by order producers in excess of market requirements. In effect, it says to manufacturing milk producers, "You may still have to compete with producers under Federal orders, but you have the assurance that those producers will be receiving the manufacturing price for their surplus milk."

21. What effect can the plan be expected to have on negotiated marketwide premiums?

If the surplus in a market is reduced the incentive for premium prices may be lessened.

22. Can the plan work satisfactorily in one market without being in effect in all other markets?

Yes, but producers who adopt this program and reduce production to meet market requirements may require some assurance, by way of order provisions, that the results of their efforts will not be undermined or eroded by contrary actions of other handlers or groups of producers outside the program.

23. What advantage does this plan have over national dairy supply management proposals involving allotments, bases or quotas?

Base plans as features of Federal orders would have the advantage of being tailored much more closely to local market conditions and customs. Great variation exists among markets in the degree of surplus, all

the way from some which have no surplus above normal reserve requirements to some with as much as 40 percent of such surplus. It would be most difficult if not impossible to fit any single national adjustment program to the varying conditions which exist among markets. The base plan has the further advantage of being introduced on a market-by-market basis with much better chance of approval by local referendum.

24. What would be the effect of this plan on fluid markets which are not regulated under Federal or State controls?

1. The rules for the movement of milk from plants in unregulated areas are established under other order provisions, allocation, pool plant qualification, etc. The base plan would place no added burden on such movement.

2. For producers in currently unregulated markets who wished to become producers in an order market having a base plan, the acquisition of a base by purchase or performance would be a requisite.

3. All markets, regulated or not, feel the effects of national surpluses. To the extent that the plan removes some of the pressure for increased production, all markets will benefit.

The dairy surplus problem is still with us and it appears that dairy legislation will receive considerable attention during this session of Congress. I'm sure you are all aware that the cost of dairy price support through purchase of surplus dairy products has almost doubled the past 2 years. Program expenditures are running over $500 million and there is little prospect of these costs declining unless some action is taken to reduce milk supplies. This is a situation which demands attention and the chairman of the Senate Committee on Agriculture has indicated dairy legislation will be the subject of early hearings.

I realize it will not be easy to develop new dairy legislation which will meet the immediate problems of reducing surpluses and at the same time be acceptable to all of the diverse interests of the dairy industry. Dairying is one of the most extensive commodity interests in U.S. agriculture and in many ways one of the most complex. There are major differences in the way manufactured dairy products and fluid milk are marketed and on the fluid milk side there is a separate market for almost every major city or metropolitan center. Each of these fluid-milk markets has its own supply-demand and pricing characteristics. Yet at the same time, what happens in each of these markets affects our national surplus situation and in turn, every other market. The challenge is to find an approach which will alleviate our national surplus problems and at the same time meet the needs of the various individual markets.

A year ago the administration proposed a national allotment program to reduce dairy surpluses and improve dairy farm income. This proposal received little support from the dairy industry and was rejected by Congress. Hearings were held on this proposal in both the Senate and the House of Representatives, giving dairy organizations opportunity to suggest alternative programs for meeting the surplus problem. But at that time few constructive suggestions were made.

I am pleased to note that the situation appears to be changing somewhat. A number of dairy organizations have indicated they will propose program changes this year. I expect there will be differences of opinion between these organizations on the approach to be taken. But the willingness of these groups to make constructive proposals at least indicates an awareness that something must be done to reduce the surpluses that jeopardize the continued existence of the dairy price support program.

What are the principles of a sound dairy program?

1. The program should contribute to a reduction of excessive supplies of dairy products which threaten the entire dairy industry—including fluid markets, and create huge price support costs.

2. The program should protect the income of dairy farmers.

3. The program should not increase consumers milk prices.

4. The program should not involve direct Government controls over individual producers' cow numbers or output of dairy products.

5. The program should reduce Federal expenditures for dairy price-support programs.

6. The program should allow flexibility, expansion of production by efficient producers, and not constitute barriers to trade or prohibit entry of new producers.

The present dairy program clearly does not meet the first and fifth principles. The present Federal order program was not designed as an income protection program. When, however, it was combined with a price-support program for manufactured products it becomes almost impossible for all concerned. First, the payments of a blend price in excess of the value of the surplus milk results in a built-in expansion in the fluid markets, encouraging them to produce milk which goes into manufacturing uses. Thus, surplus milk from the Federal order markets floods the manufacturing markets and eventually results in substantial surplus accumulation under the support program. Moreover, the present Federal order program requires that a producer maintain his relative market share in order to maintain his absolute fluid milk base. This provides another incentive to increase output.

I have agreed to sponsor the class I base plan for Federal milk marketing orders developed by the National Milk Producers Federation. I believe this approach of seeking to reduce the incentive to produce surplus milk in fluid milk markets is a step in the right direction. Some Federal order markets have twice as much surplus as can be justified for meeting their fluid milk requirements. These surpluses not only depress prices in their immediate markets, but add to the surpluses acquired by the Commodity Credit Corporation.

But I don't believe bases in Federal orders alone will be adequate to solve the problem. Producers in Federal order markets are not going to reduce the marketings enough under this type of base plan to cut CCC purchases of butter in half. At best we might expect this plan to curtail expansion on the part of the producers under Federal orders who produce only 50 percent of our total milk production. Some way must be found to reduce total milk supplies at least 3 or 4 percent if we are to avoid adding to the almost 400 million pounds of butter already in CCC inventory.

The dairy industry must be realistic in facing its responsibilities if dairy price supports are to be continued. Other commodity groups have had to adjust their marketings downward as a condition of price support as surpluses warranted and program expenditures increased. An increasingly urban Congress will not continue to sanction large budget expenditures to support an industry which does not assume this responsibility. Nor will other farm groups who have adjusted, assist in maintaining dairy price supports if dairy producers are not willing to assume a like degree of restraint.

The President has proposed in his agricultural message that the possibilities of a voluntary dairy adjustment program be explored. In view of the satisfactory experience with this voluntary program on feed grains this approach would appear to have some promise. I am hopeful that the dairy producer organizations will give this suggestion constructive thought and that it will be possible to find an acceptable way of reducing our surplus of dairy products.

AMENDMENT OF SECTION 104(b)(3) OF TITLE 23, UNITED STATES CODE

Mr. RANDOLPH. Mr. President, I introduce, for appropriate reference, at the request of the Under Secretary of Commerce, a bill to amend section 104(b)(3) of title 23, United States Code, relating to the apportionment of funds for extensions of the Federal-aid primary and Federal-aid secondary systems within urban areas.

In this connection, I request that a letter addressed to the President of the Senate by the Under Secretary of Commerce be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 959) to amend section 104(b)(3) of title 23, United States Code, relating to the apportionment of funds for extensions of the Federal-aid primary and Federal-aid secondary systems within urban areas, introduced by Mr. RANDOLPH, by request, was received, read twice by its title, and referred to the Committee on Public Works.

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

THE SECRETARY OF COMMERCE,
Washington, D.C., February 15, 1963.

The Honorable PRESIDENT OF THE SENATE,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Commerce has prepared and submits herewith as a part of its legislative program for the 88th Congress, 1st session, a draft of a proposed bill "To amend section 104(b)(3) of title 23, United States Code, relating to the apportionment of funds for extensions of the Federal-aid primary and Federal-aid secondary systems within urban areas."

Section 104(b)(3) of title 23, United States Code, provides for the apportionment among the States of funds authorized for extensions of the Federal-aid primary and Federal-aid secondary systems within urban areas in the following manner:

"In the ratio which the population in municipalities and other urban places, of five thousand or more, in each State bears to the total population in municipalities and other urban plaecs of five thousand or more in all the States as shown by the latest available Federal census. For the purpose of this paragraph, Connecticut and Vermont towns shall be considered municipalities regardless of their incorporated status."

The foregoing provision of law was originally enacted as section 4(c) of the Federal-Aid Highway Act of 1944 (58 Stat. 838). At the time of its enactment it was understood that its purpose was to place Connecticut and Vermont on an equal basis with other States in the apportionment of urban funds. The term "town" in the New England States usually refers to a political subdivision of a State which may contain incorporated or unincorporated places which are urban in character. As used by the Bureau of the Census for the 1940 Federal census, "urban population" did not include population of unincorporated areas unless those areas met certain population-density standards. At the time of the 1944 Act it was indicated that much of the population of these towns

was urban in fact although population density standards adopted by Census had not been met. However, the Bureau of the Census has since revised the definition of "urban population" to include as nearly as possible the population of all places which have urban characteristics regardless of their incorporated or unincorporated status.

Under 23 U.S.C. section 104(b)(3) as presently worded, the population of each town in Connecticut and Vermont with 5,000 or more inhabitants is included in the population data used as the basis for apportioning Federal-aid urban highway funds and, in addition, is included as appropriate in the rural population data upon which apportionment of Federal-aid secondary funds is based.

The report by the Comptroller General to the Congress of the United States dated August 15, 1962, entitled "Review of Apportionments of Federal-aid Highway Funds, Bureau of Public Roads, Department of Commerce for Fiscal Years 1956–63" pointed out that:

"In the apportionment of Federal-aid urban highway funds for the fiscal year 1963, the duplication in the population counts resulted in Connecticut's receiving about $810,000 more and Vermont about $73,000 more than would have been received if the population had been considered in these two States in the same manner as in all other States. These amounts represent 18.2 and 22.6 percent, respectively, of the Federal-aid urban highway funds apportioned to the two States for fiscal year 1963."

The report included the following recommendation to the Congress:

"In view of the changed Bureau of the Census definition of urban population, which appears to place the States of Connecticut and Vermont on an equal basis with all other States, we recommend that the Congress consider amending section 104(b)(3) of title 23, United States Code, to eliminate or otherwise modify the special provision applicable to these two States in the apportionment of Federal-aid urban highway funds. The Bureau of Public Roads agrees that this matter should be brought to the attention of the Congress."

Under these circumstances and particularly in view of the fact that distinctions once used by the Bureau of the Census and originally forming the basis for this provision have been revised as described, it is recommended that the last sentence of provision quoted above be deleted. The enclosed draft bill would carry out this recommendation, and its enactment would remove the preference to Connecticut and Vermont towns thus affording a more equitable basis for the apportionment of Federal-aid urban funds.

The Bureau of the Budget advises that there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

S. 959

A bill to amend section 104(b)(3) of title 33, United States Code, relating to the apportionment of funds for extensions of the Federal-aid primary and Federal-aid secondary ssytems within urban areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of section 104(b) of title 23, United States Code, is hereby amended to read as follows:

"(3) For extensions of the Federal-aid primary and Federal-aid secondary systems within urban areas:

"In the ratio which the population in municipalities and other urban places of five thousand or more in each State bears to the total population in municipalities and other urban places of five thousand or more in all the States as shown by the latest available Federal census."

PRESENTATION OF AIR FORCE MEDAL TO MAJ. GEN. BENJAMIN D. FOULOIS, RETIRED

Mr. GOLDWATER. Mr. President, today, on behalf of a number of cosponsors and myself, I am introducing a joint resolution to authorize the presentation of an Air Force medal of recognition to Maj. Gen. Benjamin D. Foulois, retired.

The beginning of General Foulois' extraordinary and distinguished aviation career was literally one and the same with that of U.S. military aviation. Enlisting in the Army in 1898, he was an 18-year-old private in the Spanish-American War, was later commissioned, and then transferred to the aviation section of the Army Signal Corps in 1908, where he obtained the distinction of being placed in charge of the first airplane owned and used by the Army.

The general's earliest flying training consisted of 54 minutes of impromptu instruction from Wilbur Wright in 1909, followed by a solo flight at Fort Sam Houston in 1910, when he recalls logging four "firsts":

It was my first solo flight, takeoff, landing, and crackup.

The accident knocked the airplane's tail off, but he was flying again a week later, this time accompanying his efforts with what could be called a correspondence course from the Wrights.

While mastering flying techniques, then Lieutenant Foulois designed more that 20 mechanical improvements, all of which were built into later Army aircraft. One of his most important inventions was the seatbelt.

As Captain Foulois, he commanded the first Aero Squadron during the Punitive Expedition into Mexico in 1915, then served as Chief of the Air Services of the American Expeditionary Forces in France during World War I, and climaxed his military career as Chief of the Army Air Corps, retiring December 1935.

It is not strange that General Foulois was the man the Army chose to take charge of its budding Air Corps. While taking a Signal Corps course in 1907, he wrote what was the first military article about airplanes, a thesis on the "Tactical and Strategic Value of Aerodynamic Flying Machines". His sources were Jules Verne, the Bible, and Army Field Service Regulations.

The general's dedication to aviation has not lessened during his years of retirement, and today at a young 84 years, his hobby is telling high school groups throughout the country about the earliest days of the Air Force.

I ask that this joint resolution lay on the table so that other Senators may join in this legislation to provide suitable recognition to an outstanding American who has dedicated so many years of his life toward furthering the development of military aviation.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the desk, as requested by the Senator from Arizona.

The joint resolution (S.J. Res. 51) to authorize the presentation of an Air Force Medal of Recognition to Major General Benjamin D. Foulois, retired, introduced by Mr. GOLDWATER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Armed Services.

LET FREEDOM REALLY RING

Mr. RIBICOFF. Mr. President, on July 4, 1776, the Liberty Bell, tolling in Philadelphia, proclaimed the independence of the Thirteen Colonies from British rule. That infant Nation endured; indeed, in 187 years, it has become the leader in man's good fight against tyranny and oppression.

In earlier days, the anniversary of our birth of freedom was actively observed by young and old. While our Nation was growing, while her people were new immigrants, they had fresh memories of tyranny. They were intensely aware that they had something to celebrate on the Fourth of July. It was an occasion to remember and observe.

Lately, unfortunately, this same spirit seems lacking. True, a national holiday is proclaimed; true, speeches are made; but the Fourth of July is not the same.

That is why the idea advanced by two citizens of Connecticut—Eric Hatch of Warren and Eric Sloane of Litchfield—appealed to me so much. They have suggested that on July 4 each year, all church bells, all bells in Government buildings, and all carillon bells in colleges and universities ring for 4 minutes in every part of the land. Radio stations would also broadcast the sound of bells for 2 minutes, followed by a reading from the Declaration of Independence.

The bells would ring at 2 o'clock in the afternoon, eastern daylight time, to remind all citizens that this was the precise moment when the liberty bell tolled in Philadelphia 187 years ago, proclaiming to all who heard it that a new nation had been born. Would it not be invigorating for democracy now if, for 4 minutes on our great national holiday each year, the attention of every American was directed to that moment of our country's birth? As they are reminded by a great chorus of bells of the principles of freedom on which the Nation was founded, perhaps they will rededicate themselves to preserving those principles—not only here at home, but also throughout the world.

To encourage this, Mr. President, I today submit, for appropriate reference, a concurrent resolution calling for the ringing of bells throughout the United States each year on the anniversary of the signing of the Declaration of Independence.

I ask unanimous consent that the concurrent resolution be permitted to lie on the desk for 10 days so that any of my colleagues who wish to do so may join as cosponsors. I also ask unanimous consent that the resolution be printed in

the RECORD at the conclusion of my remarks, together with an article from This Week magazine for February 17, 1963, entitled "Make Freedom Really Ring." The editors of This Week are to be congratulated for their interest in this proposal.

We all owe a debt of gratitude to Mr. Hatch and Mr. Sloane; they have reminded us of a duty shirked and given us the opportunity to do something constructive about it.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk, as requested, and the resolution and article will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 25) was referred to the Committee on the Judiciary, as follows:

Whereas the tolling of the Liberty Bell at Independence Hall, Philadelphia, Pa., at 2 o'clock in the afternoon of the 4th day of July, 1776, proclaimed the signing of the Declaration of Independence; and

Whereas the adoption of this historic document marked the birth of our country as a free and independent nation; and

Whereas it is fitting that the anniversary of this great event should be appropriately observed in each year at the same moment throughout the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby (1) declares that the anniversary of the signing of the Declaration of Independence should be observed each year by the ringing of bells throughout the United States at the hour of 2 o'clock, eastern daylight time, in the afternoon of the 4th day of July, and (2) calls upon civic and other community leaders to take appropriate steps to encourage public participation in such observance.

The article presented by Mr. RIBICOFF is as follows:

MAKE FREEDOM REALLY RING

This is the story of two This Week readers and an idea which we believe can sweep the country, stir a new wave of patriotic feeling and turn this Fourth of July into the most inspiring celebration in our Nation's history. We are sure all This Week readers will be interested in it. Here is the idea:

On July 4, 1963, and each year thereafter, all church bells, all bells in Government buildings, and all carillon bells in colleges and universities will ring for 4 minutes in every part of the country. Every radio station will broadcast the sound of bells for 2 minutes, followed by a reading from the Declaration of Independence.

The idea's proponents are a pair of Connecticut Yankees with a lifelong interest in the American heritage—Eric Hatch, a distinguished writer, many of whose stories have appeared in This Week, and Eric Sloane, a meteorologist, artist and writer who is an expert on early American barns, covered bridges and tools.

HEARTBEAT OF THE NATION

Since it is fitting that the Nation's birthday be celebrated where it began, Hatch and Sloane suggest that a special ceremony be televised from Philadelphia, in front of the Liberty Bell in Independence Hall, and that across the Nation the bells ring out at this same moment.

As the great chorus of bells swells across the land, it will be heard by families at home, on the lakeshore, in the mountains, wherever Americans gather on the Fourth. The sound will come as a thrilling reminder of what the Fourth of July stands for, challenging each of us to remember the heroic resolve formed by the men who pledged their lives, their fortunes and their sacred honor 187 years ago.

July of 1776 saw the Declaration of Independence, democracy's greatest manifesto, approved by the Continental Congress. Delegate John Adams went to his Philadelphia boardinghouse and penned a letter to his wife Abigail, in Massachusetts:

"I am apt to believe," he wrote of the great event in which he had taken part, "that it will be celebrated by succeeding generations as the great anniversary festival. It ought to be commemorated as the day of deliverance by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations from one end of this continent to the other, from this time forward forevermore."

Perhaps a little of the noble grandeur that John Adams felt has been dulled in our hearts by the passage of time. The Fourth of July has evolved into more of a summer holiday than a patriotic festival and games and sports have taken over perhaps a little too much of the stage. The "illuminations," or fireworks, were a dominant Fourth of July sound for decades, but have largely disappeared. The bells, which John Adams also mentions, Sloane and Hatch now propose reviving as a uniting feature of the whole day—much like the national observance of two minutes of silence at 11 a.m. on Veterans Day.

SPIRIT OF THE FIRST FOURTH

Adams wrote of an independent celebration "from one end of this continent to the other," at a time when the newborn Republic scarcely penetrated beyond the Appalachian Mountains, when the whole West was a wilderness whose title was in the hands of Britain and Spain. Alaska belonged to Russia, and Hawaii had not even been discovered. Today, the grandeur of the Independence Day he envisioned should certainly be remembered.

What can you do to help bring about a truly reverent and patriotic Fourth?

Writers Sloane and Hatch appointed themselves a committee. They obtained the endorsement of Gov. John N. Dempsey and Senator ABRAHAM RIBICOFF of Connecticut. Here's how you can get the project started in your community:

1. Write to or call on your State and city officials. Show them this article—ask them to sponsor the observance. Then organize a committee of volunteers who share your enthusiasm, and go out after community support. Contact groups that would be especially interested.

2. Make a survey of the bells in your town—the church bell, the bell on the county courthouse, the college chapel bell, the firehouse bell—how many more are there? Find out who rings them and who gives the order to ring them and sign them up for July 4. Does your community have an ordinance against bellringing? It can surely be waived for a special observance like this one, but be sure your town officials have handled the necessary technicalities well in advance of Independence Day.

3. Write letters—and get friends to write—to your local newspapers, radio and TV stations. Ask editors to give their support on the editorial pages. Give them all the information they need, both to take part in a national ceremony and to publicize the program in advance.

LET US HEAR YOUR IDEAS

If you need assistance in organizing your committee, Mr. Sloane and Mr. Hatch are anxious to help. Write "Let Freedom Ring," Box 4140, Grand Central Station, New York 17, N.Y. We'll share your questions and ideas in future progress reports.

In the pealing of the bells across the land, we will have, every year, on our Nation's birthday, a fitting reminder of the exalted words and heroic decision that founded America.

INVESTIGATIONS SUBCOMMITTEE OF COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MANSFIELD. Mr. President, I submit a resolution for which I request immediate consideration. This has been cleared with the acting minority leader.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 98) was read, as follows:

Resolved, That the investigative authorizations provided by S. Res. 250 of the Eighty-seventh Congress are hereby continued through March 31, 1963, inclusive.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

Mr. MANSFIELD. Mr. President, I have been happy to call up the resolution at this time, at the request of the distinguished chairman of the Committee on Government Operations, although I should like to state that, to the best of my knowledge, insofar as this committee and other committees are concerned, even though the expiration date is today, these committees and other committees would be allowed to continue their work, and action taken subsequently on this matter would be retroactive. However, I am glad to have this action taken today, because of the importance of the investigative work of the committee.

Mr. McCLELLAN. Mr. President, I thank the Senator from Montana. Of course, we have been proceeding in the expectation that the committee would be adequately and fully organized, although—because of delays for which the majority leader certainly is not responsible—we have not been able to do so. Therefore, I appreciate his courtesy in submitting the resolution today, so that the committee's work may proceed without interruption.

Mr. MANSFIELD. Mr. President, I appreciate the remarks of the distinguished Senator from Arkansas, for whom all of us have an extremely high regard. I am just as happy as he is that this matter has been attended to, so there will be no question as to the continuing authority of the committee.

NAVAJO ROADS IN UTAH—AMENDMENTS

Mr. BENNETT. Mr. President, I send to the desk an amendment which would authorize the construction of an important and much needed road, and bridge, from Bluff, Utah, to Mexican Water, Ariz., traversing approximately 30 miles within the Navajo Indian Reservation. The amendment is being submitted by me, on behalf of myself, the Senator from Arizona [Mr. GOLDWATER], and the Senator from Utah [Mr. Moss]. The amendment is offered to S. 95, which authorizes construction of certain high-

ways on the Navajo and Hopi Indian Reservations in the Four Corners area, which I have the privilege of cosponsoring with Senator GOLDWATER. S. 95 amends the act of April 19, 1950, relating to the rehabilitation of the Navajo and Hopi Tribes of Indians.

As introduced, S. 95 adds an additional 709 miles of principally north-south roads on the two reservations in Utah, Arizona, New Mexico and Colorado, broken down as follows: Arizona, 459 miles; New Mexico, 200 miles; Utah, 39 miles; and Colorado, 11 miles. Routes 1 and 3 in the area have gone a long way toward providing the Four Corners area with east-west routes, but we need adequate highways to allow north-south travel.

The 30-mile stretch of highway proposed in my amendment would connect Utah State Highway 47 just west of Bluff, Utah, with Navajo Route 1 at Mexican Water, Ariz., thus completing one of the major north-south highways of the Southwest, directly crossing the Navajo Reservation. It also provides for construction of a bridge and approaches to span the San Juan River near Bluff, Utah.

The area south of Bluff is a seriously neglected area on the Navajo Reservation. It has the barrier of the San Juan River on the north for a distance east and west of approximately 60 miles to a bridge crossing. Many additional miles must be traveled over sand trails to get in and out of the area. There are many Navajo families in this isolated spot trying to eke out an existence. Giving these Utah Navajos highway access to schools and possible work opportunities, as well as medical and welfare assistance, is in perfect accord with the original intent of the act of April 19, 1950. It will also aid in fulfilling Utah's legal obligation to educate the Navajos of the Utah area south of the San Juan River.

Utah's attorney general has ruled that San Juan County must provide equal opportunities for schooling to the Navajo people residing in the county. He has also ruled that they must administer the welfare program equally to these people, who have a great need for the program. San Juan County has taken this responsibility seriously. It is fulfilling this obligation very well throughout the county, with the exception of the Navajo people in the area described above. The road proposed in my amendment would do more than anything else to facilitate the carrying out of this program.

Until 1960 the Bluff Elementary School did not have a single Indian student. Then a Navajo girl, who had attended Government schools, enrolled, and the word got around that the Navajo children were welcome there. Today half the enrollment of the school is Navajo, and it is estimated that the school's enrollment would triple if there were a means of getting all of the Indian children in the area into school. Mrs. Merial Goforth, a teacher at the Bluff Elementary School, describes her Navajo students as "bright, clean-cut youngsters, who want to learn and, in some instances, are setting the pace for the white children." These children, she points out, have the advantage of living at home while attending a public school. This way the family is kept intact while the children are integrated into our society. The community of Blanding has fully supported the integration of its Indian children into school and community affairs.

As one small, but touching and important, example of the need for the bridge and route south, I am advised that one of the Navajo families who lives on the mesa just across the river sends their son to the school at Bluff. Each day the father fords the San Juan with his son on horseback. During the extreme cold recently, they crossed on the ice. During the thaw that followed and breaking up of ice, he missed school. He will miss more school this spring during runoff, when the river is too deep. Looking to the immediate future, we want this young man in school, and all of his brothers and sisters and cousins, too. We want them to be educationally equipped to live in the world into which they are slowly moving. These Navajo young people cannot wait indefinitely for us to build bridges and highways. They are growing up right now.

With the increased emphasis that is being placed on scenic development in southeastern Utah, tourism is another factor that must be considered in connection with this important, north-south road link. As I have already pointed out, it would complete the most direct scenic highway from Utah through the Navajo Reservation to southern Arizona, west Texas, and Mexico, thus opening up new recreational horizons as well as new economic possibilities for the entire area. It would provide a major interconnecting highway between the existing national parks and monuments of southeastern Utah and northeastern Arizona, and would provide close access for the planned development at Canyonlands and possible future park development of Poncho House Ruins in Utah.

The tourist industry is becoming a vital factor in the economic rehabilitation programs being administered by the Bureau of Indian Affairs. With this important road link across their reservation, the Navajos could benefit greatly from the new emphasis on scenic development in southeastern Utah. Visitors en route to the parks and monuments would have the added advantage of seeing these colorful Indian lands.

In conclusion, Mr. President, I sincerely hope the Senate will adopt my amendment to S. 95 to include in the bill this additional vitally needed road.

The PRESIDING OFFICER. The amendments will be received, printed, and appropriately referred.

The amendments were referred to the Committee on Interior and Insular Affairs.

EXTENSION OF TIME TO FILE REPORT

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Joint Economic Committee be granted an extension of time from March 1, 1963, to March 15, 1963, to file a report of its findings and recommendations with respect to the Economic Report of the President, as required by section 5(b)(3) of Public Law 304, 79th Congress.

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

CHANGE OF REFERENCE

Mr. HILL. Mr. President, Senate bill 622, pertaining to personnel policies on the federally owned Alaska Railroad, was introduced on January 31 and was referred to the Committee on Labor and Public Welfare. An identical bill, S. 2593, was introduced in the last Congress, was referred to the Senate Post Office and Civil Service Committee, and hearings were held on that identical bill by that committee.

Under the circumstances, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of S. 6222 and that the bill be referred to the Committee on Post Office and Civil Service.

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

ADDITIONAL COSPONSORS OF BILLS

Mr. ANDERSON. Mr. President, I ask unanimous consent that the name of the senior Senator from Nevada [Mr. BIBLE], be added to the sponsors of S. 2, the water resources research bill,

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

Mr. CURTIS. Mr. President, on behalf of the junior Senator from Delaware [Mr. BOGGS], I ask unanimous consent that at the next printing of Senate bill 108, the name of the senior Senator from New York [Mr. JAVITS] be included as a cosponsor.

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

Mr. KEATING. Mr. President, I would like at this time to ask unanimous consent to have my name added as a cosponsor of S. 424, for the relief of Mr. Venson Chu and his family, introduced by the senior Senator from Ohio [Mr. LAUSCHE], and I ask that my name appear on the bill on its next printing.

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

Mr. MORSE. Mr. President, I ask unanimous consent that at the next printing of the bill, S. 580, the name of the distinguished Senator from Tennessee [Mr. KEFAUVER] be added as a cosponsor.

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

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the junior Senator from Michigan [Mr. HART] may be listed as a cosponsor of S. 650, to create the Indiana Dunes National Lakeshore, which 17 other Senators and I introduced on February 4; and I ask unanimous consent that his name may be added at the next printing of the bill.

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

Mr. JACKSON. Mr. President, I ask unanimous consent to add the name of the senior Senator from Vermont, to the sponsors of the land and water conservation bill, S. 859, and that his name be included in the list on the bill at the next printing.

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

Mr. ANDERSON. Mr. President, I ask unanimous consent that when there is a second printing of S. 880, the Hospital Insurance Act of 1963, that the names of the senior Senator from Oregon [Mr. MORSE] and the junior Senator from Michigan [Mr. HART] appear as cosponsors of the bill. The Senator from Oregon and the Senator from Michigan expressed the desire to be cosponsors at the time the bill was introduced but through an error their names were omitted on the original printing.

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

Mr. PROXMIRE. Mr. President, at its next printing, I ask unanimous consent that the names of Senators HARTKE and JACKSON be added as additional cosponsors of the bill (S. 900) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and for other purposes, introduced by me on February 22, 1963.

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

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of February 4 and 14, 1963:

S. 666. A bill to further secure and protect the rights of citizens to vote in Federal elections: Mr. ALLOTT, Mr. ANDERSON, Mr. BEALL, Mr. CANNON, Mr. DOUGLAS, Mr. FONG, Mr. GRUENING, Mr. HARTKE, Mr. INOUYE, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. METCALF, Mr. MILLER, Mr. MORTON, Mr. MUNDT, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, Mr. SALTONSTALL, and Mr. SCOTT.

Authority of February 18, 1963:

S. 829. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for marketing quotas on Irish potatoes through establishment of acreage allotments: Mr. ALLOTT, Mr. CLARK, Mr. ENGLE, Mr. ERVIN, Mr. JORDAN of North Carolina, Mr. LONG of Missouri, and Mr. MANSFIELD.

Authority of February 19, 1963:

S. 855. A bill to provide for more effective utilization of certain Federal grants by encouraging better coordinated local review of State and local applications for such grants: Mr. HUMPHREY, Mr. MUNDT, and Mr. WILLIAMS of New Jersey.

Authority of February 20, 1963:

S. 865. A bill to provide for the establishment of the National Academy of Foreign Affairs, and for other purposes: Mr. BAYH, Mr. BOGGS, Mr. BYRD of West Virginia, Mr. CLARK, Mr. ENGLE, Mr. GRUENING, Mr. HUMPHREY, Mr. INOUYE, Mr. LONG of Missouri, Mr. MANSFIELD, Mr. MCGEE, Mr. MOSS, Mrs. NEUBERGER, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH.

Authority of February 21, 1963:

S. 894. A bill to provide for Federal assistance on a combination grant and loan basis in order to improve patient care in public and other nonprofit hospitals and nursing homes through the modernization or replacement of those institutions which are structurally or functionally obsolete; and for other purposes: Mr. PELL.

NOTICE OF HEARINGS ON S. 387, RELATING TO USE OF UNFAIR AND DECEPTIVE METHODS OF PACKAGING OR LABELING

Mr. HART. Mr. President, the senior Senator from Tennessee [Mr. KEFAUVER] is the chairman, as we all well know, of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary. The Senator from Tennessee [Mr. KEFAUVER] has designated me to preside over hearings to be held on S. 387, a bill introduced to amend the Clayton Act to prohibit restraints of trade carried into effect through the use of unfair and deceptive methods of packaging or labeling certain consumer commodities distributed in commerce, and for other purposes.

Mr. President, I wish to give notice of the schedule of the forthcoming hearings in connection with this bill. Hearings are scheduled for March 6 and 7; March 12 and 13; and March 19, 20, 21, and 22. Should there be a need to modify the schedule, prompt notice will be given.

Mr. President, it is the desire of the subcommittee to have testimony offered by all persons concerned and interested in S. 387. I would ask that any person who desires to testify notify my office.

The bill was introduced by me on January 21, in association with other Senators. At that time, through inadvertence, the name of the distinguished present occupant of the chair (Mr. RIBICOFF in the chair) was omitted from the list of cosponsors. As Secretary of HEW, and earlier as Governor of Connecticut, the Senator from Connecticut [Mr. RIBICOFF] has given leadership in efforts to insure consumer protection. I ask unanimous consent that the name of the distinguished Senator from Connecticut [Mr. RIBICOFF] may be added as a sponsor of S. 387.

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

NOTICE OF HEARINGS ON SENATE BILL 859

Mr. JACKSON. Mr. President, I announce for the information of the Senate that hearings have been scheduled by the Committee on Interior and Insular Affairs on S. 859, a bill to establish a land and water conservation fund to assist the States and Federal agencies in meeting present and future outdoor recreation demands and needs of the American people, on March 7.

The hearing will begin at 10 a.m. in room 3110, New Senate Office Building. People wishing to testify should contact the committee.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Ray H. Hemenway, of Minnesota, to be U.S. Marshal, district of Minnesota—recess appointment.

James A. Carr, Jr., of Massachusetts, to be a member of the Board of Parole for the term expiring September 30, 1968, vice Edward J. Donovan—term expired.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, March 7, 1963, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address by Secretary of Commerce, Hon. Luther H. Hodges, at 61st annual convention of American Road Builders' Association, February 25, 1963, Chicago, Ill. Also, speech by himself at opening session of A.R.B.A. convention.

By Mr. MCNAMARA:

Address by Representative Frank Thompson, Jr., of New Jersey, delivered at the University of Illinois on February 26, 1963, dealing with medical care for the aged.

EDITORIAL TRIBUTE TO SENATOR WILLIAMS OF NEW JERSEY

Mr. MANSFIELD. Mr. President, the other day an editorial in the Washington Post described one of the many good works of the Senator from New Jersey [Mr. WILLIAMS]. In this case, it concerned the Senator's personal efforts, with the help of a few others, to fix up a few hazard-ridden, dilapidated shacks near Mount Vernon, to postpone the imminent eviction of three destitute families who had no other place to go.

Let me say that this humble act of service is typical of the Senator from New Jersey, who is as modest as he is able. PETE WILLIAMS is not much for talk, but in his own quiet way he does a great deal to benefit the people of his State and the Nation. There is no more able and respected and capable Member of this body.

His act the other day dramatizes his deep interest in the welfare of all Americans, including the poor and inarticulate, who all too frequently are overlooked in this affluent society of ours. This simple act of human concern comes from a man who has worked with his heart as well as his head to do something to improve the lot of this country's migratory workers, to give our cities better transportation, and to preserve and extend the parks and open spaces in our communities.

Mr. President, I ask unanimous consent that this highly deserved editorial

tribute to Senator WILLIAMS be printed at this point in the RECORD.

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

[From the Washington Post, Feb. 25, 1963]

SENATOR WILLIAMS' EXAMPLE

Senator HARRISON WILLIAMS' Good Samaritan venture in the downtrodden community of Gum Springs, near Mount Vernon, brought a hearty response from many different groups. The spectacle of a U.S. Senator laboring with a half-dozen coworkers to save three destitute families from eviction because of the fire hazards in their ramshackle homes proved to have an inspirational quality. It set in motion forces that may well carry far beyond the stopgap improvements which these volunteers were able to make on George Washington's birthday.

The Senator's example came at an opportune moment. Events of the last few weeks have demonstrated that thousands of Washingtonians are bursting with energy and grasping for straws of adventure. Many of them have taken to the trails and highways on foot in seemingly passionate gestures to test their fitness and to break away from the routine of their lives. How much more exciting and useful their ventures might be if they turned their footsteps and their energies to the slums instead of the trails.

Washington is at once afflicted with a curse of idleness and with mountains of work to be done to make its dark corners more habitable. Of course, volunteer crews could not replace insanitary hovels with the model low-cost housing that is so urgently needed, but they could render an immense service by cleaning up yards, removing fire hazards and rat nests, repairing and painting old homes, planting grass and flowers, lifting up spirits, and cultivating a new sense of cooperation and of community pride. This newspaper suggests, with all seriousness, that the armies of hikers who are taking to the trail divert at least part of their energies into the type of community service that Senator WILLIAMS has popularized at Gum Springs.

Organization of any large-scale efforts will be necessary, and this is where President Kennedy's proposed Domestic Service Corps comes into the picture. But cleanup squads and flower-planting task forces could be organized on a neighborhood basis, with experts and other volunteers drawn from all parts of the city. With a genuinely cooperative effort in the spirit of the Williams demonstration, the physical blight of this city could be amazingly transformed, with corresponding amelioration of its moral and psychological blight.

RESOLUTION OF NORTH CAROLINA LEGISLATURE MAKING SIR WINSTON CHURCHILL AN HONORARY CITIZEN OF NORTH CAROLINA

Mr. ERVIN. Mr. President, on behalf of my colleague [Mr. JORDAN] and myself, I ask unanimous consent to have printed in the body of the RECORD a resolution of the Legislature of North Carolina making Sir Winston Churchill an honorary citizen of North Carolina. I also ask consent to have printed in the RECORD the accompanying document.

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

To All Whom These Presents Shall Come, Greeting:

I, Thad Eure, secretary of state of the State of North Carolina, do hereby certify the following and hereto attached (four sheets) to be a true copy of Resolution 11, general assembly of 1963, a joint resolution honoring the Right Honorable Sir Winston Churchill, K.G., the original of which is now on file and a matter of record in this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office, at Raleigh, this 21st day of February in the year of our Lord 1963.

THAD EURE,
Secretary of State.

RESOLUTION 11

Joint resolution honoring the Right Honorable Sir Winston Churchill, K.G.

Whereas the Right Honorable Sir Winston Churchill, K.G., distinguished and illustrious son of an American mother and an English father, writer and maker of history, eloquent champion of the free world, still lives among us in the flesh, symbolizing those attributes of honor, loyalty, courage, and magnanimity, which have been cherished for generations by the English-speaking peoples; and

Whereas due to fortuitous circumstance and his own will to greatness, he stood in the breach and through his eloquent pen and tongue rallied the democracies of the world to stand with him and hurl back the threat of dictators who would have crucified humanity and suppressed the love of freedom wherever it existed; and

Whereas Sir Winston is close to the heartbeat of Americans who admire this Englishman's love of fairplay and decency, as well as his stubborn courage where the liberties of freemen are concerned; and

Whereas North Carolinians whose history goes back to England and to Magna Carta honor and revere this son of freedom who has attained immortality while he yet lives: Now, therefore, be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That the Right Honorable Sir Winston Churchill, K.G., is the most eloquent champion of liberty not only throughout the English-speaking world, but among all free nations and free peoples; that his superb leadership in civilization's darkest hour helped to save mankind from the tyranny of dictators; and that he continues to symbolize in his life the great attributes of integrity and honor that are the basis of our civilization.

SEC. 2. That the Right Honorable Sir Winston Churchill, K.G., is hereby declared to be an honorary citizen of North Carolina.

SEC. 3. That a copy of this resolution be spread upon the minutes of the respective journals of the house and senate, and that a duly certified copy be forwarded through proper channels to the British Ambassador in Washington with the request that it be transmitted to the Right Honorable Sir Winston Churchill, K.G., together with the good wishes of the General Assembly of North Carolina for many more years of health, happiness, and service to mankind.

SEC. 4. That this resolution shall become effective upon its adoption.

In the general assembly read three times and ratified, this the 21st day of February 1963.

CLARENCE STONE,
President of the Senate.
H. CLIFTON BLUE,
Speaker of the House of Representatives.

Examined and found correct.

GEORGE R. UZZELL.

(For committee.)

DR. ELLEN WINSTON, U.S. COMMISSIONER OF WELFARE

Mr. ERVIN. Mr. President, recently, Dr. Ellen Winston, of North Carolina, was appointed U.S. Commissioner of Welfare.

For many years, Dr. Ellen Winston has served her native State of North Carolina with distinction, building up within our State one of the finest welfare departments in the Nation. In recognition of her achievement, she has now been called upon by the Federal Government to organize and direct a welfare administration in the Department of Health, Education, and Welfare.

Dr. Winston brings to her new post the competence, the skill, and the sound judgment that will set our long-needed welfare administration on a steady and progressive course. She understands the problem of chronic dependency which has developed in our country despite our general prosperity. She knows how to attack this problem constructively by getting at the root causes. She will give wise and practical leadership to the Nation in developing welfare programs that are genuine investments in human resources, rather than mere systems for maintaining the poor in their poverty.

A welfare administration directed by Dr. Winston will not only help us to find better answers to the problem of poverty in the midst of plenty; it will also help us to improve the services needed by people in all income brackets, particularly children and the aged. To Mrs. Winston, welfare means more than financial aid to the needy; it means providing the facilities and services that prevent an individual from becoming lost in the increasingly mechanized and impersonal milieu of modern society. North Carolina's loss of a great lady and a wise welfare commissioner is the Nation's gain.

In order that others may know more about Dr. Winston and her achievements, I ask unanimous consent to have printed at this point in the RECORD the following items:

First. A biographical sketch of Dr. Winston, prepared by the North Carolina Department of Public Welfare;

Second. An article by Mrs. Bernadette W. Hoyle, information officer, North Carolina Department of Public Welfare, entitled: "Dr. Winston Reviews 18 Years in Public Welfare";

Third. A statement made by Dr. Winston at her swearing-in ceremonies on January 28, 1963;

Fourth. A feature article from the January 27, 1963, edition of the Sunday Sun, Baltimore, Md., entitled: "New U.S. Welfare Chief—Iron-Beneath-Velvet Southerner Seeks To Halt Dependency Before It Gets Started"; and

Fifth. Editorials from several North Carolina newspapers concerning Dr. Winston; they are as follows: "A Woman of Vision Goes to HEW," Twin City Sentinel, Winston-Salem, December 21, 1962; "Tar Heels Will Be Proud," Sanford Herald, Sanford, December 21, 1962; "A Quality Appointment That Honors North Carolina," Kinston Daily Free Press, December 20, 1962; "Tar Heel Tapped for Post," the Wilmington Star, Wilmington, December 21, 1962; "Fine Ladies to Washington," Lexington Dispatch, Lexington, December 21, 1962; "Deserved Promotion," Hickory Daily

Record, Hickory, December 20, 1962; "Dr. Winston Qualified To Realine National Welfare," High Point Enterprise, High Point, December 20, 1962; "Dr. Winston Can Contribute Much," Greenville Reflector, Greenville, December 21, 1962; and "Dr. Winston Takes a New Job," Durham Herald, Durham, December 21, 1962.

There being no objection, the biographical sketch, statement, articles, and editorials were ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF DR. ELLEN WINSTON

Dr. Ellen Winston has served as commissioner of public welfare for the State of North Carolina for the past 18 years. She was named to that post in 1944 after 4 years as head of the department of sociology and economics at Meredith College, Raleigh, N.C.

During this period of long service to her home State, Dr. Winston worked extensively with both National and State social welfare agencies and has achieved wide recognition for her contribution to the public welfare field.

After early teaching experience she served as social economist and technical editor for various Federal agencies from 1934 to 1940. She was a member of the technical committee on long-range work and relief policies for the National Resources Planning Board, 1940–43.

Author of numerous books and articles in the fields of sociology and social welfare, Dr. Winston did extensive research in these fields for the National Economic and Social Planning Association, the Carnegie Corp. of New York, and the Federal Government.

A native of North Carolina, Dr. Winston was born in Bryson City, in the western part of the State. She received her early education in North Carolina public schools and was graduated from Converse College, Spartanburg, S.C. In 1930, she received a Ph. D. in sociology from the University of Chicago. Honorary doctoral degrees have been awarded to Dr. Winston by the Women's College of North Carolina, Converse College, and the University of North Carolina.

Among the State and National posts she has held are: President, American Public Welfare Association, 1957–59; member of the Fact-Finding Committee for the Midcentury White House Conference on Children and Youth and the National Committee for the 1960 White House Conference on Children and Youth; member of the Slum Clearance Advisory Committee of the U.S. Housing and Home Finance Agency, 1951–54; member of the Board of Directors of the Council on Social Work Education, 1958–60; cochairman, Income Maintenance and Public Assistance, Fifth International Congress of Gerontology, 1960; member of the U.S. Committee of the International Conference of Social Work, 1960; member of the ad hoc Committee on Welfare appointed by HEW Secretary Abraham Ribicoff in 1961. She served on the 12-member National Council on Child Welfare established by the Congress in 1958, and was a member of the Federal-State Committee on Aging, 1957–60.

For the past 10 years she has been a member of the executive committee of the National Council of State Welfare Administrators; since 1956 has served as chairman of the North Carolina Governor's Coordinating Committee on Aging; and since 1959 has been a member of the Governor's Committee on Migrant Labor.

She is presently a member of the board of directors of the Child Welfare League of America, Inc., and chairman of the league's ad hoc committee on public agency relationships. In 1962 she was appointed to a 2-year term on the Advisory Committee on Problems of the American Community (Brookings Institution) and to membership on the Advisory Committee on Housing for Senior Citizens of the Housing and Home Finance Agency. She is chairman of the division on social welfare manpower for the 1963 National Conference on Social Welfare.

Dr. Winston is the wife of Dr. Sanford R. Winston, author and lecturer and head of the department of sociology and anthropology at North Carolina State College.

DR. WINSTON REVIEWS 18 YEARS IN PUBLIC WELFARE

(By Bernadette W. Hoyle)

Dr. Ellen Winston, who took the oath of office as the first U.S. Commissioner of Welfare on January 28, left North Carolina after 18½ years as State commissioner of public welfare.

In reviewing the North Carolina program during her administration, which began on June 1, 1944, it is interesting to note that public welfare legislation enacted by the Congress in 1962 is a reiteration of the North Carolina emphasis on preventive, protective, and rehabilitative services for many years. Shortly after her tenure of office in Raleigh began, Dr. Winston delivered a speech titled "Prevention: The Final Test of Public Welfare." Only in the past year has this emphasis been adopted through legislation at the national level.

An expanded program of old-age assistance, aid to dependent children, and aid to the permanently and totally disabled has been in progress during Dr. Winston's nearly two decades as administrator of the North Carolina program. Provision for payment of hospitalization of recipients and the medically indigent has been added to the program.

In discussing additions to the North Carolina program during her term of office, Dr. Winston points with pride to community services, which has a staff member who works with local communities and organizations to further the utilization of available community resources. Two projects of the North Carolina Federation of Women's Clubs were initiated by Dr. Winston. These are the Children's Clothing Closet, through which local clubs secure clothes for children such as layettes, school clothing, graduation dresses and other items for which tax funds are not available. The help-a-home project collects furniture and household articles which are given to needy families to help lift their level of living. "The women's clubs have in many ways been interested in and supported the public welfare program," stated Dr. Winston. "Working with these clubs has also been an excellent means of interpreting the program to the people of our State."

She pointed out the good relationship with the State bar association. "We have worked with this association for many years on legal aid service for the legally indigent—persons who need legal advice but cannot pay for it. County bar associations have set up county committees which work with county departments of public welfare."

She added, "We have several programs which we have been pushing for a number of years. One of these is a program through which we provide special assistance to aid to dependent children to help them go on for further training or education. Each year county departments of public welfare help a number of bright boys and girls obtain scholarships, as well as summer jobs, and often a community group is contacted to help supplement the scholarships awarded these young people."

The aid to dependent children policy has been revised so that a child with a part-time job may use the money he earns for present educational purposes or save it for his future education. "This was made possible by a reinterpretation of Federal law," stated Dr. Winston. "We took advantage of it because of the incentive it offered to young people. Another facet of this emphasis is that it is one way to break the cycle of dependency. The young people become self-supporting, take care of their families and their parents, pay taxes, and so forth."

The program of day care for preschool age children of working mothers has been built during Dr. Winston's administration. "We have stressed the importance of standards for these facilities," she stated, "and we license over 350 day care facilities. At present we have set up day care projects in two counties with Federal money to demonstrate how counties can help families become self-sufficient or prevent the need for assistance by having children cared for during the day while their mothers work. These demonstration projects establish a program, so that we will have had experience with policies and procedures in order to know the best way to proceed on a statewide basis when Federal funds become available in 1963." When Dr. Winston became State commissioner one person on the State office staff handled this program as an extra job in addition to other regular duties. At present there are three full-time staff members in day care and three more will be added in the near future.

In the program of foster boarding home care for children there has been considerable expansion. The State board of public welfare licenses all foster boarding homes for children. "We require a semiannual report on each child in order to know that there is continuing supervision of the children and planning for them as their needs change. North Carolina was one of about 15 States that took immediate advantage in 1961 of legislation that under special circumstances permitted payment for care of children in foster boarding homes with AFDC funds," she said.

In the program of adoption there has been great expansion in the past 18 years. During Dr. Winston's first year in office, 309 adoptions were completed. In the year 1961–62, 2,111 adoptions were completed. The majority of the adoptions in the State are handled by county departments of public welfare, and all adoptions are registered with the papers filed for safekeeping in the State board of public welfare.

A program developed during Dr. Winston's administration is that of licensing of all agencies which solicit funds for charitable purposes. "We have a law as strong as that in any State for licensing these agencies," she stated. Because licensing protects both the agencies and the citizens from fraudulent solicitations, there is good cooperation in the administration of the policies.

"Here in North Carolina we have placed much emphasis on nonfinancial services in public welfare," stated Dr. Winston. "We believe that a broad program of social services should be available to all people who seek them, regardless of their economic status. North Carolina has a population of 4½ million people. During the past year some type of public welfare service was given to 600,000 men, women, and children, that is, 1 out of every 8 persons in the State. Over half of these services were nonfinancial. They included adoptions, planning for the care of aged relatives, work permits for minors, and other services."

One of the most significant programs is that of homemaker service through public welfare. At present 15 counties employ 45 homemakers who go into homes to help families raise their level of living. They teach low income families how to use money wisely, they teach young mothers without training in elementary housekeeping how to care for their children, how to cook and how to clean house. The program began with demonstration projects in a few counties, which built the foundation for a statewide program that has received national recognition.

"We have a large program of services to the aging," added Dr. Winston. "We first became concerned over old people in rural counties who should not be living alone, who were not sick, yet needed a protective program of domiciliary care. Now we have over 500 licensed facilities for the aged and infirm. About 300 of these are family care homes, licensed for two to five persons. These homes are much like the homes of a generation ago where there were one or more aged relatives in a family. They keep aged persons in a home atmosphere when they do not desire or cannot for some reason remain in their own homes, yet can remain in their own communities near their churches and friends and lifelong ties. In essence this program is not too different from the foster boarding home program for children. At present over 6,000 persons in North Carolina live in licensed facilities for the aged and infirm."

Increasingly the public welfare program in North Carolina has stressed services to older people in their own homes in order to make it possible for them to remain there. Homemaker service has been the answer in many cases, where a homemaker may visit a number of homes for several hours a week and help with the necessary chores. "Now we have a new policy which makes it possible for us to pay for an attendant, where it is necessary for the person to have care for a longer period of time than is practical in the use of homemaker service. We have a long list of possibilities, so that we may have a particular service available at the time when a person needs it," added Dr. Winston. "In order to have a comprehensive public welfare program, there must be a wide range and variety of social services and policies available to meet different types of needs and the changing needs of the same individual."

The inspection of jails has long been a responsibility of public welfare in North Carolina. "We also approve plans for new jails and renovations and we are proud of our progress in this area. We are always concerned over the health and safety of people. We are interested in keeping mental patients and children out of jails. Actually for the entire State we have fewer children in jails in a year than many States have in one county in that period of time," said Dr. Winston. "Public welfare has to be concerned about people who need some kind of special protection as these are the most vulnerable persons in our society.

"To promote the exchange of ideas and keep open the lines of communication between the public welfare program and the citizens of the State, there are a number of advisory committees from special interest groups such as heads of child caring institutions, day care operators, juvenile judges, medical advisory committee, and other areas of interest in which public welfare plays a major role in helping people," added Dr. Winston.

"The concern for helping people, whether their need is financial or nonfinancial, has been the primary focus of public welfare in North Carolina," she declared. "With the enactment of new Federal legislation in 1962, it will be possible to continue this emphasis with the implementation of broader policies and more effective procedures."

STATEMENT BY DR. ELLEN WINSTON AT SWEARING-IN CEREMONIES IN WASHINGTON, JANUARY 28, 1963

This day, January 28, 1963, is of great significance to all who are interested in or have any direct connection with the social welfare field. The Secretary's decision to establish a new Welfare Administration to encompass the major welfare responsibilities of the Federal Government offers a tremendous challenge, a tremendous opportunity. By this action the role of public welfare in the total economy, the place of social services in our complex society, have been dramatically emphasized.

This new Welfare Administration will require close cooperation among its constituent units, while they carry out their own special responsibilities. It should lead to increasingly closer working relationships in Federal-State-county welfare programs, between welfare and other governmental services for people, between public and private social welfare agencies, and between public welfare and a host of community organizations.

Goals for this new Welfare Administration, dedicated as it is to preventive and rehabilitative services, must be clearly defined and stated again and again. Success in their attainment will be measured by the opportunities given to children to rise above the handicaps of deprivation and neglect, to the disabled fully to utilize their capabilities, to the ill to receive needed treatment, to the aged in all walks of life to live without fear or loneliness, to families to obtain needed help and guidance in resolving a wide range of special problems, to untold numbers to be spared dire poverty and personal disaster through effective preventive measures. Such services can only be rendered where the people are and so welfare's responsibility stretches to every city, town, and open area of our Nation. We know, too, that it is not just what is done but how it is done so that welfare services truly promote human dignity and independence and self-respect.

In working toward these ends, to improve and strengthen the broad pattern of welfare services, I pledge you that I shall do my best.

[From the Baltimore Sun, Jan. 27, 1963]

NEW U.S. WELFARE CHIEF—IRON-BENEATH-VELVET SOUTHERNER SEEKS TO HALT DEPENDENCY BEFORE IT GETS STARTED

(By Cherrill Anson)

When Ellen Winston is sworn in tomorrow afternoon as head of the newly created Federal Welfare Administration, official Washington will acquire a choice example of that celebrated feminine subspecies, the iron-beneath-the-velvet southerner.

Dr. Winston, a slight, 59-year-old North Carolinian, has served her State as commissioner of the board of public welfare for the past 18 years. During that time she has fought determinedly and successfully to give North Carolina a progressive welfare program which attempts to stop dependency before it starts, tries to get people off the welfare rolls and back onto their own feet, and stresses a variety of nonfinancial services rather than cash handouts.

The identical emphasis on prevention, rehabilitation and protection was written into Public Law 87-543, the set of amendments which represents the most important changes in the public welfare provisions of the Social Security Act in that act's history.

"I have approved a bill," President Kennedy commented after signing the legislation in July, "which makes possible the most far-reaching revision of our public welfare program since it was enacted in 1935."

TERMED OUTSTANDING

The assembling of all welfare functions in one administration was the recommendation of a task force appointed by the President before his inauguration. The head of this task force and the guiding intelligence behind the new welfare amendments was Wilbur J. Cohen, Assistant Secretary of Health, Education, and Welfare for Legislation.

Mr. Cohen, who has known Dr. Winston for 20 years, calls her "the country's outstanding State welfare administrator." Her salary will be $20,000 a year.

The new administration, which will become the sixth major operating agency of the Department of Health, Education, and Welfare, was formed by HEW Secretary Anthony J. Celebrezze by bringing together three activities formerly under the jurisdiction of the Social Security Administration: the Children's Bureau, the Bureau of Family Services, and the Cuban refugee program. To these he added the special staff on aging and the juvenile delinquency and youth development staff.

These five activities embrace the principal Federal-State programs of the Department which through services, research, and grants are directed to the interests of older persons, families, children, and youth.

FIRST MAJOR REALINEMENT

The establishment of the administration marks the first major realinement of welfare functions since HEW came into being in 1953. Mrs. Winston's appointment is considered the culmination of a trend toward reappraisal and reorientation which was hinted at in a group of welfare amendments passed in 1956. These put emphasis on services rather than money and on the strengthening of family life. But, according to Cohen, they were permissive and offered little in the way of financial encouragements to the States.

The new legislation, on the other hand, offers considerable financial rewards to States which are willing to spend some of their own money to become eligible for Federal cost-sharing. Starting in September, States which appropriated $25,000 for certain welfare services or for the cost of training staff members could count on an additional $75,000 in Federal funds.

These new laws and certain administrative actions in the same spirit which were taken by ex-Secretary Ribicoff in 1961 and 1962 will involve the expenditure in the fiscal year 1962-63 of nearly $300 million in addition to the amounts authorized by earlier law. During this period, Federal payments to States under public assistance programs to which the Federal Government makes grants will reach $2,600 million. This money will benefit some 7 million persons.

OUNCE OF PREVENTION

The idea behind the new welfare measures is that by spending more now, we will eventually spend less. Cohen does not look for a cut in the welfare bill, but he is hopeful that the new emphasis on prevention and rehabilitation will head off an increase. "Our population is growing at the rate of 30 million every 10 years," he explains, "and we find ourselves forced to run faster just to stay in the same place."

Mrs. Winston's concern with services which would prevent dependency was expressed as long ago as 1945, shortly after she took office in her own State. "We recognize the fact," she said then, "that it is cheaper not only in terms of well-being but also in terms of actual money to prevent ills rather than to try to remedy them after they have been allowed to develop. In public welfare as in health an ounce of prevention is worth a pound of cure. It is far better to prevent than to have to try to rehabilitate. The preventive approach requires more service, more effective leadership, and harder work than the traditional approach to the public welfare program. At the same time it is a far more challenging approach."

An excellent example of the preventive approach is the program of day care for the children of working mothers.

LIVING LEVELS RAISED

When Dr. Winston took over as State commissioner there were 18 licensed day-care facilities in North Carolina. Now there are 350, and demonstration projects involving use of Federal funds have been set up in 2 counties. (The 1962 legislation called for $5 million in the fiscal year 1962-63 and $10 million in succeeding fiscal years to be earmarked for the encouragement of day care under State child welfare service plans.)

Because of the availability of day care, a young North Carolina woman was able to get a stenographic job which enables her to support herself and her two small children, although she cannot afford to pay for their supervision during working hours. This family never went on the relief rolls.

Another aggressive program which Dr. Winston started was the use of homemakers to help recipients of relief raise their level of living by showing them how to manage their homes and their funds better. These homemakers are resourceful, mature women who visit seven or eight families a week, working closely with the county welfare department caseworkers.

They teach AFDC (aid to families with dependent children) recipients to stretch their grants over the month, demonstrate the use of surplus foods, instruct them in sewing and mending, help them to make simple home repairs, and encourage and aid them to improve their personal appearance.

A homemaker may show a mother how to make a vase out of a bleach bottle or bring a group together for instruction. By contributing her own set of plastic dishes and helping the hostess to bake a few cookies, she may turn the instruction session into a party. "One of the problems of destitute people is that they are isolated," Dr. Winston explains. "In working with public assistance families it is important to push up from the bottom. You must give them goals they can reach."

MORE FOSTER HOMES

A childless woman with a great feeling for children, Dr. Winston found in 1944 that North Carolina had fewer than 100 licensed foster boarding homes for children. These homes provide individual motherly care for children who would otherwise be institutionalized or left to grow up in improper environments. Today there are 1,500 such homes which care for 2,700 children in a given month.

The adoptive program, under Dr. Winston's guidance, has undergone a similar expansion. During her first year as commissioner, there were 309 adoptions. Last year, 2,111 were completed.

For both children and the aged, her goal has been to have available a whole series of possibilities. Some elderly people have been enabled to stay in their own homes by the services of a homemaker or attendant; others have been placed in licensed boarding homes. The majority of these are small facilities caring for two to five persons in a noninstitutional atmosphere. Such special care homes keep elderly people in their own communities, near their lifelong ties.

Dr. Winston has been particularly successful in marshaling community support. Under her encouragement, the State bar association has come forth with aid for the legally indigent. The Federated Women's Clubs help to furnish homes of families living on welfare grants and contribute layettes and graduation dresses. Other community groups help with scholarships for bright youngsters.

Since without education one welfare generation breeds another, Dr. Winston has pushed a program to encourage AFDC recipients, whose grants stop when they become 18, to go on for special training after high school. Scholarships and summer jobs help. Recently North Carolina revised its AFDC policies to allow a child to save some of the proceeds of a part-time job for future educational needs without having the family's grant diminished. This change was made possible by a reinterpretation of Federal law.

"This is the way you break the cycle of dependency," Dr. Winston says. "They go on from here to supporting their families, helping younger sisters and brothers, and paying taxes."

In addition to initiating strong programs, Dr. Winston has seen that these programs and their positive results have been brought to the attention of North Carolina's taxpaying public. These taxpayers are spread over a primarily rural State divided into 100 counties which stretch horizontally more than 500 miles, from the Atlantic coast through the Great Smoky Mountains.

MANY SUCCESS STORIES

A series of articles titled "For the People," written by the board's public information officer and appearing in more than 50 small weekly papers, is devoted to spelling out the details of the welfare programs and relating success stories about recipients of public assistance.

Among these stories are those of a child who was born a spastic and now supports herself as a beautician; a girl who is attending nursing school on a scholarship; a young woman who is a member of the Peace Corps; and another who became the first child from her rural elementary school ever to go to college.

In a centrally located county which has six high schools, three of the six valedictorians in the recent graduating classes came from families which had been assisted through aid to families with dependent children.

Among the young men who were once the recipients of AFDC are the principal of a county school, a sheriff, a minister, and a business man who was named Young Man of the Year in his community.

NONFINANCIAL HELP

Then there was the mother with three small children to support. Although she had finished high school, the only work she could find was as a domestic. A caseworker got her a scholarship at the local junior college, which she attended at night after working all day. There was no 4-year college in town. When she had finished the 2-year curriculum at the junior college, a sister-in-law offered to care for her children so that she could finish her studies at an out-of-town college which offered her a work scholarship. This fall, at the age of 32, she drew her first paycheck as a primary schoolteacher and became a taxpayer instead of a tax taker.

Dr. Winston has always emphasized welfare services which do not involve the giving of money, and she is proud of the fact that of the 600,000 people helped last year, half were extended counseling or other nonfinancial services. Nevertheless, North Carolina's welfare budget (including Federal funds) has grown during her service from $7 million to $70 million. (Seventy million dollars for North Carolina's 4,500,000 residents is proportionately almost the same as Maryland's expenditure of $50 million for 3,100,000 inhabitants.)

In a State in which per capita income is less than 70 percent of the national average, the money has not come easily. The history of Dr. Winston's relations with the North Carolina General Assembly is a stormy one. Her quest for the State money needed to call forth matching Federal funds has led, time and time again, to clashes with legislators.

Most of the time she has gotten what she wanted. One gallant legislator attributes this to a combination of southern womanly graces and brains. Another observer describes the Winston technique less elegantly but not unchivalrously as "flapping her eyes around and politely submerging those men with facts."

"She has had differences with practically everybody in the house and senate," a State representative reports, "but she is still liked and respected."

Dr. Winston has been described as a past master at championing public welfare programs. To those who suggested that most of the illegitimate children in North Carolina were getting help from public welfare, Dr. Winston pointed out that only 9 percent of these children were receiving public assistance. Furthermore, she noted, the proportion of families with illegitimate children in the caseloads of county departments of public welfare had dropped from 20 percent to 16 percent.

CITES LONG-RANGE COST

To others who insisted that some women were turning out illegitimate babies almost as a business, she answered that it was ridiculous to assume that $10 a month would constitute an incentive to a woman to continue to have illegitimate children.

Cutting off aid to illegitimate children, she said, might effect a sharp reduction in immediate expenditures, but there would be a staggering long-range cost in terms of expenditure for crime, juvenile delinquency, and medical costs if these children were allowed to grow up in squalor.

On the topic of welfare "chiseling," Dr. Winston has said that "a common complaint against public welfare is fraud; yet, in terms of income tax evasions, racketeers who defraud the Government of billions of dollars each year, and deception in the day-to-day business world, this problem is indeed minor."

Critics of aid to families with dependent children have been informed that the average person in a North Carolina AFDC household, considering all sources of money, must manage on one-quarter of the average per capita income for the State. Typically, she points out, a family receives such assistance for only 2 years before finding other means of support.

WIFE OF AN EDUCATOR

Dr. Winston was born in Bryson City, a small town in the western mountains of North Carolina. Her father, Stanley Warren Black, was a lawyer and a southerner. Her mother was from Illinois. In consequence, the commissioner says, she finds herself endowed with "two sets of colloquialisms midwestern and southern."

She received her early education in public schools and was graduated from Converse College in Spartanburg, S.C. In 1930 she received a Ph. D. in sociology from the University of Chicago.

She went on to teach and to serve as social economist and technical editor for Federal agencies from 1934 to 1940. At the time she was named State commissioner, she had served for 4 years as head of the department of sociology and economics at Meredith College in Raleigh, the State capital.

The wife of Dr. Sanford R. Winston, head of the department of sociology and anthropology at North Carolina State College, the commissioner has written numerous books and articles in the fields of sociology and social welfare and has done extensive research in these areas.

Dr. Winston has been president of the American Public Welfare Association, one of 12 members of the National Council on Child Welfare established by Congress in 1958, and a member of the Federal-State Committee on Aging. She also served on a special advisory committee whose recommendations were incorporated in the Kennedy administration's welfare legislation.

BUILT-IN INCENTIVES

That legislation, designed to remedy the deficiencies of laws passed over a quarter of a century ago, has built-in incentives for self-care and self-support and is "by far the most useful we have ever had," Dr. Winston

says. "It offers opportunities to give help which is constructive, not palliative."

In addition to the provisions for day-care expenditures, stepped-up aid to States for training enough skilled personnel to reduce caseloads to reasonable levels, and liberalized payments for the needy aged, the blind, and the disabled, it allows for protective payments to be made to a competent party if a child's parent is found to make unwise use of welfare grants. It makes possible the use of public assistance funds to maintain a child in a foster care home if its own environment is completely unsuitable.

Another change is designed to assist the States in encouraging the conservation of existing work skills and the development of new ones. Federal financial participation is authorized in State expenditures for aid to families with dependent children made in the form of payment for work performed by the child's parent or other relative. States which wish to take advantage of Federal money in these work or don't eat programs must provide facilities for training or retraining in preparation for regular employment.

HER VIEW OF NEW JOB

Another change recognizes family neediness when both parents are in the home and deprivation to a child results from a parent's incapacity or unemployment. Previously only one parent was included in aid to families with dependent children.

The provision for children of unemployed parents was enacted in 1961 as a 14-month temporary measure. It was extended for 5 years by Public Law 87-543. Before this a father could desert his family and see them taken care of, but could not lose his job, stick with them, and have them receive the same benefits.

Dr. Winston assumes her new position as the States are just beginning to participate in the new welfare program. Fourteen States, for instance, are extending aid to deprived children of the unemployed. Another 14 are taking advantage of Federal sharing in expenditures for foster care.

The Commissioner can be expected to give the Welfare Administration the same firm, able, and imaginative leadership for which she is known in North Carolina and to run the same sort of "tight office." "I am exchanging 100 counties for 54 jurisdictions," she says, "and the general assembly for Congress."

[From the Twin City Sentinel, Dec. 21, 1962]

A WOMAN OF VISION GOES TO HEW

Last February, Dr. Ellen Winston, State commissioner of public welfare in North Carolina, appeared before a congressional committee to speak for the American Public Welfare Association in support of the administration's proposed welfare changes. According to reports, she handled the complicated subject knowledgeably and in language the nonsociologist Congressmen could understand.

A short time later, Chester Davis, writing in the Journal and Sentinel of the State's welfare program, called Dr. Winston a thorough-going pro. She had not always been personally popular in and around the Capitol, he wrote, largely, perhaps, for her enthusiasm for keeping welfare free from political entanglements. But, he went on, her associates respected her as a crack administrator and a woman of vision who retains her sense of the practical.

Thus, while the announcement of Dr. Winston's appointment as the Federal Government's first Welfare Commissioner came as more or less of a surprise, her appointment is not itself surprising.

The Welfare Administration is a new division in the Department of Health, Education, and Welfare, bringing under one head a number of bureaus and functions that heretofore have operated under other departmental supervision. Furthermore, revisions in the welfare program made by the last Congress both enlarge the Federal stake in public welfare and put new emphasis on the rehabilitative and preventive services.

What better qualifications could Secretary Celebrezze have asked for in the new administrator of this program than precisely those with which Dr. Winston is endowed? Someone who is on record as knowing, supporting, and being able to interpret the new program of public welfare—a crack administrator, a person of vision who retains a sense of the practical, indeed, a person with enthusiasm for keeping welfare free from political entanglements.

Dr. Winston had been nationally recognized long before this; Secretary Celebrezze has simply translated that recognition into service at a higher level. North Carolina is nevertheless newly honored by her new honor, and we wish her well in the wider responsibilities to which she has been called.

[From the Sanford (N.C.) Herald, Dec. 21, 1962]

TAR HEELS WILL BE PROUD

Dr. Ellen Black Winston, 18 years the State's welfare commissioner, has been appointed U.S. Welfare Commissioner. She will have the responsibility of putting into effect a new reorganizational move that places welfare on an equal basis with health and education in the U.S. Department of Health, Education, and Welfare.

In this important assignment she will join a few other notable Tar Heels in Washington. Dr. Winston is quite an addition and hers is a real assignment.

Tar Heels are of many schools of thought on our State welfare administration. Party affiliation has little to do with it. There are Democrats and Republicans who soundly cuss the welfare and others who realize its farflung and varied services. However, all who have had any dealing with Dr. Winston realize that here is an administrator who is truly competent, who knows and understands her field of work. Legislators who have heard her testify at committee hearings come away with admiration for the way she can field the answers, quote the statistics and information she has at her fingertips.

Regardless of whether everyone agrees with all welfare policies, North Carolinians can be proud to have such a woman as Ellen Winston in Washington. She is a graduate of Converse College, a liberal arts college, has a knack for statistics, holds a Ph. D. from the University of Chicago in sociology. She worked for many Government bureaus and agencies in Washington prior to World War II. She has also headed the department of sociology at Meredith College where her students can testify she was a stimulating and brilliant teacher.

In the new Federal set up she will direct the Bureau of Family Services, the Children's Bureau, and Cuban refugee program. Special staffs on aging, juvenile delinquency, and youth development which presently report to Secretary Anthony J. Celebrezze will report directly to Dr. Winston.

The position pays $20,000 a year as contrasted to the $12,000 Dr. Winston was paid by North Carolina, but the magnitude of the task would frighten a lesser official. We predict that Dr. Winston will greet the new assignment with the enthusiasm and verve North Carolinians have come to expect from her.

The agency Dr. Winston heads will mark the first major realinement of Federal welfare agencies since the Federal welfare program was enacted in 1934. As North Carolina commissioner, Dr. Winston has heard her share of complaints of too much Federal regulation in this field. She already knows the Federal program is under fire. Here is an unparalleled opportunity to do something about removing opportunity of abuse in the Federal program. The eyes of the Nation will be upon her and her decisions.

[From the Kinston (N.C.) Daily Free Press, Dec. 20, 1962]

A QUALITY APPOINTMENT THAT HONORS NORTH CAROLINA

Appointment of Dr. Ellen Winston of Raleigh, commissioner of public welfare in North Carolina for the past 18 years, to a new post as Federal Commissioner of Welfare, comes as an honor to North Carolina as well as the appointee.

Dr. Winston will get a year's leave of absence to take the post, which has been created by a reorganization of the Federal Welfare Administration. Her salary will be $20,000 a year, compared with her present post, which pays $12,000. R. Eugene Brown, assistant welfare commissioner, will become acting commissioner and director of the State Department of Public Welfare.

The new Federal agency which Dr. Winston will direct will comprise the Children's Bureau of Family Services. It also will include Cuban relief, the special staff on the aging, as well as the juvenile delinquency and youth development staff. These five agencies make up the principal Federal-State programs operated by the Department of Health, Education, and Welfare. It constitutes a $3 billion per annum program.

Dr. Winston is peculiarly fitted for her new post after 18 years of experience with the administration of North Carolina's public welfare program. She has been closely associated with the details of the matching services programs and knows where there is need for improvement and flexibility. North Carolina will miss her services, but it is good that the Federal agency can have the benefit of her long and valuable experience.

Congratulations to HEW Secretary Anthony J. Celebrezze on his selection and to Dr. Winston on the honor and responsibility that have come to her.

[From the Wilmington (N.C.) Star, Dec. 21, 1962]

TAR HEEL TAPPED FOR POST

The Kennedy administration has tapped another North Carolinian for service with the Federal Government, with the announcement that Dr. Ellen Winston, State welfare commissioner, will head a new Federal agency.

The Department of Health, Education, and Welfare is shifting the major welfare functions of social security to the new unit, in a move to strengthen both programs. It is the agency which Dr. Winston will take over as administrator. It is an agency handling welfare for children, the aging, and the needy.

A spokesman for the Department of Health, Education, and Welfare said that social security and welfare had become too big and too diverse to be handled by a single administration. The split apparently is being made with a minimum of extra personnel and cost.

It is not surprising that social security and welfare have grown to larger proportions. In fact, it is to be expected that such would happen. Thus, it is well that steps are being taken now to strengthen the two programs by changing the administrative procedures and dividing the duties.

North Carolina has reason to be proud that our own Dr. Ellen Winston was chosen

for this new and important post in the Federal Government. Dr. Winston not only is well known throughout North Carolina in welfare work, but also is nationally prominent for her work in juvenile delinquency and child welfare.

She is certainly eminently suited and qualified for the new post. This is evident, of course, by the fact that she was chosen for the job, doubtless from a field which included many well-qualified persons.

We feel sure she will establish an outstanding record of service, and one in which all Tar Heels can take pride.

[From the Lexington (N.C.) Dispatch, Dec. 21, 1962]

FINE LADIES TO WASHINGTON

As the Mona Lisa, the world's most treasured painting, arrived in Washington on Wednesday it was announced there that another fine lady is coming to the Nation's Capital to help administer one of the most important Government programs.

Dr. Ellen Winston, who has served as North Carolina State commissioner of welfare for the past 18 years, will become National Commissioner of Public Welfare. This is a new post established by Congress in the Department of Health, Education, and Welfare and the new Commissioner will receive a salary of $20,000. And she'll be worth it.

Another fine lady, Mrs. W. T. Bost, was the State's first commissioner of welfare, and did a great job as did her successor who is now stepping higher. Mrs. Bost was the wife of that ace of North Carolina newspaperman, Tom Bost. Dr. Winston's husband, Sanford, is a professor at State College.

The great lady from Paris is an honored visitor. Dr. Winston will remain as a national asset.

[From the Hickory (N.C.) Daily Record, Dec. 20, 1962]

DESERVED PROMOTION

The selection of Dr. Ellen Winston, head of the North Carolina State Welfare Commission for the past 18 years, to have charge of the Nation's reorganized $3 billion welfare program, is a deserved promotion.

We doubt if there is another person anywhere in the United States, who has a better record of capability in this field than Dr. Winston. We congratulate Health, Education, and Welfare Secretary Anthony J. Celebrezze on his excellent choice for the important assignment.

It will be the job of Dr. Winston to bring together all of the Department's major welfare programs in the new setup effective January 28.

R. Eugene Brown, this State's assistant welfare commissioner, will be named acting commissioner by Governor Sanford, and North Carolina Welfare Board Chairman Howard Manning has announced that Dr. Winston has been granted a 1-year leave of absence to take the Federal post.

Dr. Winston is recognized as one of the outstanding State welfare administrators in the country.

The reorganization which she will now undertake, is the first major realinement of U.S. welfare functions since the Department was established in 1953, and will make the Welfare Administration the sixth major operating agency of the Department.

Secretary Celebrezze said the new agency reflects the magnitude and importance to the Nation of the new welfare amendments, which President Kennedy called the most far-reaching revision of our public welfare program since it was enacted in 1935.

Dr. Winston is author of numerous books and articles for the National Economic and Social Planning Association, the Carnegie Corp., and the Federal Government. She is 59 and was born in Bryson City, N.C. She was graduated from Converse College in Spartanburg, S.C., and received a Ph. D. in sociology from the University of Chicago.

[From the High Point (N.C.) Enterprise, Dec. 20, 1962]

DR. WINSTON QUALIFIED TO REALINE NATIONAL WELFARE

Auspiciously does the Department of Health, Education, and Welfare launch its own Welfare Administration by calling Dr. Ellen Winston, who has directed ably North Carolina's welfare program these past 18 years, to head that significant new operation.

Emphasis of this new division underscores the Kennedy administration's objective of making certain that services to children, families and the aged will be built into the Nation's relief programs. The Social Security Administration is being stripped of its Children's Bureau as well as the Bureau of Family Services, which hitherto has operated all federally supported relief programs.

Indeed, gathering of those bureaus, together with the Cuban refugee program, the special staff on aging and juvenile delinquency and youth development creates such a complexity of five welfare agencies as only one of Dr. Winston's broad understanding, executive capability and tireless energy could superintend.

The development is described by Washington officials as the first major realinement of welfare functions since the Department of Health, Education, and Welfare was set up a decade ago. HEW Secretary Anthony J. Celebrezze says it reflects magnitude and importance of the new welfare amendments approved earlier this year by Congress.

President Kennedy, who has called it the most far-reaching revision of our public welfare program since it was enacted in 1935, has chosen well a director. Dr. Winston, despite criticisms leveled at handling of an almost impossible task, has done a great work in the difficult development of a welfare agency which, for efficiency, ranks with the best of the Nation.

The administration, of course, is patently clearing the decks of Social Security to make way for medical care if and when that next objective is loaded upon social security. The procedure is something that is wholesome irrespective of when and how the following development occurs, for Dr. Winston can be counted upon to make her significant new Welfare Administration a creditable contribution to the national well-being.

[From the Greenville (N.C.) Reflector, Dec. 21, 1962]

DR. WINSTON CAN CONTRIBUTE MUCH

Dr. Ellen Winston's appointment as head of the new Welfare Administration of the Department of Health, Education, and Welfare is a compliment to her ability and the program she has formulated and administered as head of North Carolina's department of welfare.

During the 18 years Dr. Winston has directed the activities of the welfare department of the State, she has moved the program steadily in the direction of preventive and rehabilitation measures rather than merely assisting in the care of persons in unfortunate circumstances. The State program has broadened far beyond the care status to assure that youngsters in particular will be able to make their own way economically in their later years.

By placing emphasis on helping families help themselves, the program in North Carolina has meant a great deal more to the State than would have been the case if emphasis has been on merely providing financial assistance to indigent citizens.

The leadership Dr. Winston has given the program in the State will stand the Federal program in good stead as she goes to the new post in Washington. The experience she has gained in emphasizing preventive and rehabilitation programs in North Carolina may well be reflected in the new administrative agency under the Department of Health, Education, and Welfare. If that supposition proves correct, it will bring about important constructive changes in Federal policies toward the entire welfare program.

[From the Durham (N.C.) Herald, Dec. 21, 1962]

DR. WINSTON TAKES A NEW JOB

Dr. Ellen Winston's appointment to head the Federal welfare program in the reorganization of the Department of Health, Education, and Welfare is a deserved tribute to a remarkably able lady and a merited compliment to North Carolina's welfare program.

No person engaged in public welfare work is more thoroughly familiar with Federal welfare legislation than is Dr. Winston. Not only does she know in detail what has been enacted and how it is applied and have that knowledge readily available for explanation, but she also keeps alert to every development on the welfare legislative front.

As important as such knowledge is in the administration of the welfare program, it is not Dr. Winston's only strong point. She is not only knowledgeable but she is also imaginative in applying the public welfare principle to human needs. Thus she will bring to her new work the knowledge of the welfare program and policy, and she is well equipped to give creative leadership in the field of public welfare at the national level.

In her new job, Dr. Winston will be in charge of the various welfare programs, such as old age assistance, medical aid to the aged, aid to dependent children, aid to the blind, and aid to the totally and permanently disabled in the Bureau of Family Services; the Children's Bureau, which administers the Federal programs of child welfare and maternal and child health, and services to crippled children; the Cuban refugee program; and the Federal programs on aging, juvenile delinquency, and youth development.

North Carolina may well mingle regret with pride in Dr. Winston's new appointment. She has administered a difficult program well, and her leadership is in no little part responsible for the good public welfare program the State has. Since Dr. Winston has been given a leave of absence and her assistant has been named acting commissioner, the natural expectation would be that she will return to her post as head of the welfare program in North Carolina. The prevalent view, however, is that her move to Washington is more or less permanent. Her ability and experience forecast continued service and perhaps promotion in the National Government.

FEDERAL DEBT CEILING

Mr. ROBERTSON. Mr. President, the interest that will be paid on the national debt in the current fiscal year will be more than twice the total expenditures of the Government when I was first elected to the House in 1932. Deficit spending in a big way was started with the passage by the House of a so-called relief and recovery bill of $8,400 million. Only nine Members of the House, including myself, voted against that bill. In speaking against that bill, I predicted

that if Congress embarked upon a spending program of that magnitude, we would live to see a national debt of $50 billion and that such a debt would not only involve backbreaking taxes but be a grossly unfair mortgage upon the opportunities of generations yet unborn.

Next Monday, I will have completed 30 years of service in the Congress—14 on the House side, and 16 on the Senate side. In the life of any nation that is a brief span, but in that span I have seen our national debt rise from $19,487,002,444 in 1932 to $307 billion. The permanent limitation as of July 1, 1963, upon the size of the debt is $285 billion but the temporary ceiling is $308 billion. We know now, of course, that it is not possible for the debt to go back to $285 billion because it is now over $300 billion and instead of being decreased it will, between now and next June 30, be measurably increased. The administration, not knowing exactly what the deficit will be for the current fiscal year, wishes to be on the safe side by having the Congress authorize a temporary debt limit of $308 billion. And, if we authorize all of the proposed spending schemes and then add a $10 billion tax cut, the next jump in the debt ceiling will have to be in the neighborhood of $320 billion.

At an appropriate time, I intend to discuss the danger not only to a stable dollar, but likewise to our Democratic institutions of a deliberate policy of a deficit financing and at that time indicate the grave necessity of curtailing the spending program which has been presented to us which will necessitate a debt limit of $320 billion and a still larger debt limit in the succeeding year. In the meantime, I wish to call attention to a thoughtful article on increasing the debt ceiling, from the Wall Street Journal of Wednesday, February 27, entitled "Administration Braces for Real Battle Over Increasing Federal Debt Ceiling." Mr. President, I ask unanimous consent that that article may be printed in the RECORD at this point.

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

RAISING THE ROOF—ADMINISTRATION BRACES FOR REAL BATTLE OVER INCREASING FEDERAL DEBT CEILING

(By Henry Gemmill)

WASHINGTON.—How far the management of U.S. finances may be veering from ordinary logic—anyone's logic, liberal or conservative—can perhaps be indicated by this fact:

Never has any administration approached Congress for the frequent ritual of elevating the Federal debt ceiling with so much nervousness, so little confidence, as Mr. Kennedy's team exhibits at this moment.

The White House finds it wildly illogical for the Capitol to show signs of balking. Congress votes the appropriations; Congress legislates the tax rates; when the fruit of these is deficits, how can Congress decline to recognize by law the inevitability of an upsurge in Federal borrowings?

Influential conservatives on the Hill agree this complaint has some validity. "Trying to stop the debt rise by holding down the legal ceiling seems about like trying to stop an elevator by grabbing the indicator arrow," remarks one of them. Yet he does emphatically intend to attempt it—and in powerful company—as a last resort against what he considers madly illogical grand designs for deficit spending.

So the debt ceiling question, from whichever side it is examined, seems to have its roots in irrationality. Yet, after years of stirring up little more than political noise, it is rather suddenly emerging as an issue which henceforward may have to be taken seriously. Though Mr. Kennedy may well get the debt roof raised to his specifications this year, he must return to the fray in 1964.

The rise of this issue is, of course, propelled by the historic rise of the debt, yet one must glance also at the history of the debt ceiling itself, which is by no means identical.

A WARTIME INNOVATION

Though congressional authority to control Federal indebtedness stems from the Constitution, for more than a century legislators created no ceilings but instead voted carefully specified obligations for particular purposes. Two World Wars sired the ceilings; in 1917 general-purpose borrowing was authorized but specific limits were set on the amount of bonds, certificates, notes, and bills issued; in 1941 the permitted levels were lumped under an all-inclusive maximum.

There could be no great argument over lifting this higher and higher during World War II, and in early postwar years the ceiling seemed academic because actual debt was left drifting billions below. During that relaxed time Harry Truman could have slipped through Congress legislation abolishing the ceiling or making it infinitely elastic, some Treasury officials believe, and they could kick him for not doing it. By the time Dwight Eisenhower took charge the debt was piling high enough to make the ceiling sticky—not so much because of congressional obstinancy as because of his conservative fiscal commitments. Embarrassed by having to jack up the ceiling in 1954, Ike's administration actually encouraged two reductions, then found itself heading again to new heights. And Mr. Kennedy continued this course.

So, though it may seem longer, the economy bloc in Congress has been hitching its crusade to the debt ceiling issue for less than a decade. And most of that time many have thought they were conducting mere mock battles—little dramas useful perhaps in keeping alive the dream of black ink, but certain of failure. Not until last year—and it came as a surprise and a shock—did the administration almost suffer defeat. An $8 billion ceiling boost squeaked through the House by only 210 votes to 192; it got through the Senate Finance Committee with a one-vote margin.

It would be unsophisticated to suppose that conservatives could block a ceiling rise this year simply by converting 10 Members of the House who voted for last year's boost. The election has filled many seats in Congress with new men; nobody knows for sure how their votes will split. More importantly, a fair share of the votes traditionally cast against ceiling hikes has come from Congressmen who are not economizers, who back nearly every spending bill that comes along. These flexible fellows vote against cranking up the ceiling only to balance their record with constituents, and will perhaps continue to do so only if confident their votes won't pile up into a majority. "Our greatest risk is that these gentlemen will miscalculate," says one administration expert.

REASONS FOR FEAR

Nevertheless, the administration has reasons to fear even fiercer opposition this year.

Before Congress now is the Kennedy tax-cut program; in combination with his spending budget it has alerted the public to prolonged planned deficits—and so far the populace doesn't seem to like it. By the end of this session, to be sure, Congress will have rewritten the tax measure and at least altered much of the tax reform which contributes to the mood of aversion; by then it is possible the public will be eager for tax cuts—deficits and all. But the debt ceiling issue will not wait until then.

On the contrary, the administration insists it must have one round of legislation passed before April; hearings before the Ways and Means Committee begin today. And then it must trot back for a second hike—a big one—before July. This seems an open invitation for Congress to pour all its current disgruntlement onto the debt ceiling issue.

In detail, the picture grows sharper. Congress passed last year's ceiling increase in precise conformity with a Presidential budget forecasting that the current fiscal year ending June 30 would end up in balance, with no net rise in debt. The calculation was that the ceiling needed to be lifted to $308 billion just to meet a midwinter seasonal peak; in line with this Congress voted the boost but provided that the ceiling should drop to $305 billion in April, and back to $300 billion on June 25.

Now, however, the administration is forced to base its first ceiling plea to the new Congress on a flat contradiction of last year's logic. Its current case is that the roof must be lifted to $308 billion for the remainder of the fiscal year, because its own budget forecast turned out to be nonsense, because the Government has slipped into a multi-billion-dollar deficit not just seasonally but for sure.

And while they are voting on that, Congressmen will have in mind that by June they'll be voting on a far fancier hike. Naturally enough, tacticians of any administration would be unwilling to let the matter rest on such uneasy ground.

"What would happen if we simply refused to raise this ceiling on the Federal debt?" a senior Senator once inquired in committee session.

"The first thing we'd do is stop your paycheck, Senator," roared the Secretary of the Treasury.

A SPECTACULAR DRAMA

That short story dates back to Eisenhower days, but the question has gained pertinence and Kennedy men still respond in the same spirit. The consequences of a debt ceiling crackdown are described as disasters, vivid enough to scare most any Congressman—or citizen.

A spectacular drama of the near-future can be—and is—written around the following set of assumptions:

Mr. Kennedy asks Congress to lift the ceiling for the fiscal year beginning July 1, to a figure in the neighborhood of $320 billion.

Congress wrangles right through June and passes no ceiling legislation whatever; thus the legal debt roof drops to its "permanent" level, $285 billion.

Outstanding debt, which has been riding along well above $300 billion, stands clearly in excess of the legal maximum.

Now let the cameras roll.

The first and hasty action of Treasury Secretary Douglas Dillon is to dispatch telegrams frantically requesting a halt to savings bonds sales. Thousands of telegrams, not just to banks and other places of public sale but also to all the employers who run payroll deduction plans. Mr. Dillon's lawyers have told him that any bonds that slip through after June are not Government obligations at all; they are his personal debt.

Next the weekly rollover of short-term Treasury bills is stopped. No replacements can be issued for around $2 billion of outstanding bills coming in for repayment each week. These alone are enough to suck up within 3 weeks the $5 billion or so which the Treasury usually keeps in cash. Governmental pockets are empty.

CAN'T MEET PAYROLLS

By this time the Government begins missing payments on its missiles and other purchases. It can't meet its payrolls, nor if it fires Federal workers can it give them severance pay due. Such checkwriting, which normally runs around $2 billion a week, can be done belatedly and in a trickle from any tax revenues that come in. But no payment priorities based on hardship or necessity can be set up; legal opinion holds that bills must be paid in chronological order of presentation.

Worse yet, the Treasury begins missing interest payments on existing debt, and fails to redeem bonds that mature. Securities markets fall into turmoil which makes all past panics look pale. Foreigners launch the great run on U.S. gold, and the dollar is done for.

At this point the official script ends, but one is left with the feeling that the Congressmen don't get reelected.

Though it's a lively drama, its chief defect is that it could only happen in real life by accident. Accidents can happen; Mr. Kennedy himself flew off to Mexico last year without signing a bill boosting the ceiling; for most of 1 day the U.S. debt stood at an illegal level. (It was a Sunday, no harm done). But the fact of the matter is that conservative congressional leaders have no slightest intention of establishing a ceiling lower than outstanding debt.

The strategy they outline is entirely different. They would aim to set a ceiling high enough to avoid pushing the Government into any sudden crisis of bankruptcy—but low enough so that within a few months the administration would have to cut back some of its deficit spending, hopefully in an orderly and selective fashion. Measured in money, their objective would be to cut the ceiling below administration desires not by a magnitude of $35 billion, as in the sensational script, but by whatever smaller sum seemed safe and feasible—$1 billion, $2 billion, perhaps a bit more.

If that were the game, argue administration men, it would produce results precisely the opposite of what the congressional economy bloc desires. The Kennedy government could not—or at least would not—cut back its spending but instead would do what the Eisenhower government did when squeezed by the debt ceiling several times during the fifties. It would resort to costly gimmickry.

One gimmick employed in Eisenhower's time of pinch was to have the Federal National Mortgage Association sell directly to the public some of its own notes, which technically do not count as part of the national debt, instead of drawing funds from the Treasury. Another trick was to have the Commodity Credit Corporation raise more of its money for agricultural price-support loans by selling to the public certificates of interest, similarly outside the legal debt, instead of pulling money from the Treasury. These agencies had to offer investors a slightly higher return than would have been required through normal Treasury borrowing; by one calculation the Government ended up paying an extra $18 million in interest.

COULD DUMP MORTGAGES

Besides repeating the old tricks, the Government could try plenty of new ones. Officials suggest, for instance, that the Veterans' Administration could raise some money by dumping its foreclosed mortgages on the market—but only at discount prices, and at the risk of drying up investment money needed to sustain private construction.

Leaders of the congressional economy bloc are aware the Government could and probably would seek this escape from a ceiling squeeze; they agree that it would promote no true economy. But some of them do have an answer: "We'll just wait for the next round of ceiling legislation—and then we will nail 'em."

This double-dose technique could conceivably be applied by Congress rapidly, since the administration must seek its two ceiling boosts before July. Tactics are still fluid, however; economy leaders could aim at just one squeeze this year, and wait till 1964 for the second. At any rate, the theory is that if the administration responded to a first tight ceiling with no more than gimmicks, the legislators could insist upon an official commitment on spending cuts before setting the next ceiling. Failing to get it, they could try making the second squeeze tight enough to exhaust the possibilities of gimmickry and still force a reduction in expenditures.

Suppose—and it is a large supposition—Congress did eventually shove the administration into real spending slashes. Would legislators find themselves much happier over the outcome than officials downtown? Very likely not.

ABDICATION OF POWER

The cutbacks would be chosen by the administration, not by Congress. Legislators who have raised "merry Ned" over past administration refusals to spend appropriated money—uproar over the B–70 bomber is the classic case—could silently choke on resentment as their pet projects were maimed or buried. In the attempt to assert control over the executive branch, legislators would find they had in practice abdicated much of their present power.

It is obvious enough that a Congress really set on curbing spending could devise a half-dozen better ways of doing it. But Congress is not devising them, nor likely soon to do so. If an argument can be made for converting the debt ceiling issue from a talking point into a sharp tool of economy, it must rest on this: Risky and awkward though it may be, it is conveniently at hand.

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

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. I am very glad to have been present and to hear the presentation of the distinguished Senator from Virginia. I understand that in the past 2 years the Congress has lifted the debt ceiling three times. It is obvious that the next request will be that the debt ceiling be raised to $320 billion.

Mr. ROBERTSON. The Senator is correct, if we adopt all the proposed spending schemes. But in the near future I shall make a speech in which I shall indicate that we need not adopt some of the proposed spending schemes, and the ceiling may not have to be increased to that point.

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

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. I recall the statement made by the colleague of the Senator from Virginia that our present national debt embraces the value of all buildings, equipment, and land within the United States. With that situation we are confronted with a proposal to enter upon a spending program and a tax-reduction program that would make mandatory the authorization of a debt limitation of $320 billion. I suggest that such action would lead us toward economic suicide.

Mr. ROBERTSON. I am sure my distinguished colleague is correct.

SECRETARY DILLON DENIES CONGRESSMAN POWELL'S STATEMENT CONCERNING THE VALUE OF COUNTERPART FUNDS

Mr. WILLIAMS of Delaware. Mr. President, on February 20, 1963, in a press conference a Member of Congress whom I have been asked to refer to as a "friend of the Kennedy administration" while defending his expenditures of counterpart funds quoted Secretary Dillon as follows:

The Secretary of the Treasury, Mr. Dillon, told Congressman JEFFERY COHELAN, of California, when asked, what would happen to counterpart funds now that the House had stopped the use of them. He said the only thing there is to do is to put a match to them.

I was confident that the Secretary had made no such statement, and I was concerned that anyone would suggest that any responsible official—especially the Secretary of the Treasury—could ever have spoken so lightly concerning the value of these foreign currencies which belong to the American taxpayers.

To clarify this point, I wired Secretary Dillon on February 22 asking for a denial or an explanation.

I have just received a reply from the Secretary in which he emphatically denies that he ever made any such statement. Secretary Dillon said:

On the contrary I consider that counterpart funds belonging to the United States require the same prudent management and careful handling as any other moneys of the Government.

At this point I ask unanimous consent that both my telegram of February 22 and the Secretary's reply of February 26 be printed in the RECORD.

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

FEBRUARY 22, 1963.

Hon. DOUGLAS DILLON,
Secretary of the Treasury,
Washington, D.C.:

In Congressman POWELL's press conference of the 20th he quoted you as having told him that counterpart funds were valueless and his direct quote was quote we might as well put a match to them end of quote. I would appreciate either an emphatic denial that you made such a statement or an explanation.

JOHN J. WILLIAMS,
U.S. Senator.

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 26, 1963.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR JOHN: In answer to your telegram about the remark attributed to me on counterpart funds, let me assure you that I have no recollection of any such conversation referring to counterpart funds, or their value, or having said that we might as well put a match to them. On the contrary, I consider that counterpart funds belonging to the United States require the same prudent management and careful handling as any other moneys of the Government.

With best wishes.

Sincerely,

DOUGLAS DILLON.

Mr. WILLIAMS of Delaware. I join Secretary Dillon in emphasizing that these foreign currencies—counterpart funds—do belong to the taxpayers of the United States, and I am sure that most Members of Congress recognize this point.

I am not criticizing official trips by Members of Congress when such visits to foreign countries are connected with their official duties. Such trips properly conducted can be constructive and of considerable benefit both to the Congress and to the American people.

In making these trips most Members of Congress recognize that they are in effect goodwill ambassadors of our Government and that the foreign currencies or dollars used to defray the expenses of their trips are taxpayers' money and should be accounted for accordingly.

It was never intended that these taxpayers' funds be used to finance a tour of the nightclubs of Europe.

However, as an example of the loose manner in which the State Department has made these foreign currencies, which belong to the American taxpayers, available to this friend of the administration, I will insert the cablegram sent by the State Department last summer to our embassies in connection with the trip then being planned.

Since a claim had been made by this individual that he had done only what other Members of Congress had been doing, I checked with the State Department to verify the accuracy of this cablegram, and I also asked that I be furnished with copies of any other similar cablegrams that had been sent for other Members of Congress. I said I would include all of them in the RECORD at this point. None were furnished.

At this point I ask unanimous consent to have printed in the RECORD the cablegram sent last summer by the State Department.

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

Congressman ADAM C. POWELL, chairman, Committee on Education and Labor, accompanied by Mrs. Tamara J. Wall and Miss Corrine Huff, staff members, traveling Western Europe accordance following itinerary:

August 8 sailing *Queen Mary* arriving Southampton, August 13; Paris, August 16; Venice, August 20; Rome, August 23; Athens, August 27; Delphi, August 30; sailing *Leonardo de Vinci*, September 15 from Gibraltar. Arrival times and flights forwarded when firm.

Provisions handbook congressional travel apply. Codel and party authorized use local currencies 19FT561 funds. Meet assist appoint control officers.

Request one single and one double with bath as follows: London-Cumberland Marbel Arch Hotel; Paris Hotel San Regis; Venice Royal Denieli; Rome (1) Excelsior (2) Flora (3) Victoria which ever has special embassy rates; Athens beachhouse at Astir Hotel Delphi new government hotel name unknown. Confirm Department soonest.

London, request three tickets August 14 and 15, best shows playing, except Broadway plays.

Paris-Codel desires use U.S. Army car and chauffeur. Reserve three for first show and dinner best table Lido August 16.

Southampton-Codel requests be met at *Queen Mary* Cherbourg with $100 U.S. equivalent in local currencies for each member party.

Mr. WILLIAMS of Delaware. Other equally serious questions which have been raised concerning the tax delinquencies of this individual as well as the propriety of certain loans, guaranteed mortgages, and outright grants of Government money which have been made to companies with which he is associated, are all discussed more fully in the CONGRESSIONAL RECORD of February 5 and February 20.

Before concluding I want to commend the Members of the House for the steps which they proposed last Tuesday as a start toward correcting this situation.

Congress cannot afford to let any Member conduct himself in a manner which will cast a reflection upon the entire Congress; nor can Congress sit back and allow the administration to open the doors of the Federal Treasury to a favored Member of Congress who may hold a key position in regard to their legislative program or who may be in a position to control an important block of votes in the general election.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Because He Is a Negro?" published in the New York Times, issue of February 23, in which comment is made on the subject.

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

BECAUSE HE IS A NEGRO?

After a soul-searching self-inquiry into why in the world he should be under criticism, Representative ADAM CLAYTON POWELL, JR., has come up with the complete answer: It is "unequivocally" because he is a Negro.

Nobody would be objecting to his long, outrageous record as a congressional absentee; no one would have noticed his nightclubbing junkets to Europe; the presence of his wife on the congressional payroll at over $13,000 while resident in Puerto Rico, would have been ignored, as would POWELL's own desertion of responsibility as a House committee chairman in the midst of important hearings. All these possible explanations for displeasure by his colleagues and other critics including ourselves have no validity, Mr. POWELL states. His only mistake is that he is not white.

It is not unexpected that Mr. POWELL has chosen such a convenient and demagogic refuge. An appeal to race and the drumming up of charges of bigotry have long been his political stock in trade. The fact is that a Negro in high office usually—rightly or wrongly—receives favored treatment, and is nearly exempt from criticism, in the press and elsewhere, unless his faults are so obvious that silence becomes intolerable. There is a general and laudable desire to see a Negro succeed when he has attained a position of public trust. Criticism is avoided for the very reason that it might be mistaken for prejudice. Now Mr. POWELL has again raised the racial issue in a desperate gesture of self-defense.

He is not alone in being criticized for junketing around the world on flimsy missions at the taxpayer's expense. He is not unique in being criticized for having a member of the family on the payroll—although it must be admitted that such employees usually have the good grace to stay on the mainland, at least.

His philosophy of "everybody else is doing it, why shouldn't I?" is, we suppose, a commonplace reaction of the most commonplace of politicians. It is disappointing, however, to see POWELL—a spiritual as well as a political leader—not setting a better example. The tragedy of the long Powell career in office is that he, unusually gifted with intelligence, talent and personality, has chosen to be equal with the least conscientious in Congress rather than the most.

So, to vindicate himself and not be accused of running out under attack, POWELL said he has changed his mind and will not retire but instead will seek another term.

This is really bad news, for New York and for Congress.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF "STAR-SPANGLED BANNER"

Mr. BREWSTER. Mr. President, next year will mark the 150th anniversary of the composition of "The Star-Spangled Banner." The occasion of its composition, at the height of the British attempt to invade Baltimore City by sailing up the bay and overwhelming the defenses at Fort McHenry, gives to this anniversary a special significance for citizens of the Free State.

The Metropolitan Civic Association of Baltimore is taking the lead in arranging for appropriate activities in Maryland. This organization has adopted a resolution calling upon the President to appoint a special national commission to arrange for a nationwide celebration marking this 150th anniversary.

I ask unanimous consent that this resolution be printed at this point in the RECORD.

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

Whereas 1964 will mark the passage of 150 years since Francis Scott Key saw our flag flying over Fort McHenry "in the dawn's early light" on September 14, 1814, and then penned the immortal "Star-Spangled Banner": Therefore be it

Resolved, That the President be requested to appoint a special national commission to begin formulating and arranging for a nationwide "Star-Spangled Banner" celebration in 1964 so that all citizens may point with pride to Francis Scott Key's unique contribution to the Nation, as exemplified by our national anthem and its 150th anniversary.

SENATOR DOUGLAS FIGHTS FOR PUBLIC

Mr. PROXMIRE. Mr. President, the distinguished Mr. Irving Dilliard, a very fine correspondent, has written a remarkable tribute to the senior Senator from Illinois [Mr. DOUGLAS] on his several endeavors in the public interest. I ask unanimous consent that the tribute be printed at this point in the RECORD.

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

DOUGLAS STUBBORNLY FIGHTS FOR PUBLIC

(By Irving Dilliard)

CHICAGO.—Thank to his persistence, two of Senator PAUL H. DOUGLAS' bills to benefit the rank and file of the American people stand a greatly improved chance of passage in the new Congress. One is to require lending agencies to tell borrowers the annual rate

of interest on loans. The other is to preserve a modest portion of the Lake Michigan sand dunes as a national park.

Both bills are outstandingly meritorious. Up to now both have been blocked by strong commercial interests which either profit (as in the case of the money lenders) or stand to profit (as in the case of those who are hungry to despoil the dunes area) through their opposition.

The "little people" are fortunate to have a champion so unrelenting in his devotion to their welfare as is Senator DOUGLAS, of Illinois. For this is the third Congress in which he has introduced his truth-in-lending bill. For 6 years he has refused to take rejection for an answer.

Ample testimony has been heard. Witnesses have stated under oath that grossly exorbitant interest rates are packed into many loans.

FOR HOW LONG?

A borrower in financial need, perhaps dire extremity, goes to a money lender. The lender says the rate is 6 percent. That does not sound too high and the loan goes through. But it would sound a lot higher if the lender was required by law to say that this 6 percent was not 6 percent a year but 6 percent a month and then quoted the higher annual rate.

Some greedy lenders often charge all the traffic will bear. Some regularly get 42 percent while more unscrupulous lenders have run the annual rate to 100 percent and even higher.

After having milked countless adults, some credit extenders are now going to work on teenagers. They say that this credit can be had for "pennies a week." What they do not say that these "pennies a week" charges can run as high as 80 percent of the most of the article bought.

Last year the honest interest bill was defeated in a Senate Banking Subcommittee by vote of 5 to 4. The rejecting majority consisted of one Democrat (Robertson, of Virginia) and four Republicans (Capehart, of Indiana; Bush, of Connecticut; Bennett, of Utah; and Beall, of Maryland). Capehart and Bush were not reelected and so they cannot again oppose the bill. Nor is it likely that their two successors will take the side of the gougers.

RECREATION NEEDS

The other Douglas bill that has aroused the exploiters is so sound that it is hard to see how the opposition is bold enough to declare itself. Our population is now 187 million. Soon it will be 200 million. With the rise in population goes the need for more recreational areas—particularly adjacent to large metropolitan centers.

Yet certain industrial interests seem to have determined on destroying the heart of the Indiana duneland shore. They reckoned without considering Mrs. James H. Buell, who 11 years ago formed a save-the-dunes council which in turn enlisted Senator DOUGLAS'S support.

In the short time that he has been in office, President Kennedy has taken strong stands before Congress for preserving a part of the dunes shore and for the truth-in-lending legislation. On the latter he said, "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."

The exploiters have had their way on these issues long enough. Let's pass both Douglas bills so President Kennedy can sign them for the people's benefit.

A REPORT ON COMMUNISM IN CZECHOSLOVAKIA AS TOLD TO AMERICANS

Mr. PROXMIRE. Mr. President, Sunday was the 15th anniversary of the day the Communists took over Czechoslovakia. This dark event in modern history brought the tragic death of the great Czechoslovak patriot, Jan Masaryk, and the tragic death of a free nation which was born among Czechoslovak exiles living in the United States during World War I.

In bitter observance of this anniversary, the Czechoslovak National Council of America has prepared a statement on life today in their homeland. It is a revealing picture of life in a Communist country, a Soviet satellite. It contains a proposal which we, as Members of the Senate and the Congress of the United States, might well consider. More than anything else, it reminds us of the great love which the Czechoslovak people bore for their free nation and their longing to rid themselves of their Communist overlords and enjoy the light of freedom once again.

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

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

A REPORT ON COMMUNISM IN CZECHOSLOVAKIA AS TOLD TO AMERICANS

Fifteen years ago, on February 24, 1948, Communists took over Czechoslovakia with Soviet assistance, under the personal supervision of Moscow's hatchetman Valerian Zorin, the recent troublemaker at the United Nations. At first, the Communists made an effort to bluff the free world into believing that the seizure had been an act of a free people. Now that pretense is no longer necessary, the Communists brazenly describe how they plotted the overthrow of the democratic government and how much they depended on Soviet help.

What communism has meant to the people of Czechoslovakia and how much it has changed their lives is borne out in thousands of letters received by American relatives. The Czechoslovak National Council of America, an organization of Americans of Czechoslovak descent, with headquarters in Chicago and branches in a number of cities, has made a study of personal mail from Czechoslovakia and on the basis of this information concludes that Christmas 1962 in Czechoslovakia was the worst since 1945, the first postwar Christmas when the country was left bare by the Nazis.

In their letters, Czechoslovak citizens complain: "If one is not young enough and strong enough to queue up for hours from very early morning for a ration of 4 ounces of butter and 1 pound of margarine, there is nothing left within a few hours. Electricity is shut off early. Prague streets are dark. Trains are unheated. There is a fuel shortage. In the mining town of Kladno near Prague, people stood in line for 20 pounds of coal, which they had to carry home in sacks, when and if they got any. Water pipes are frozen, but former plumbers are not allowed to take house calls and repair the damage; instead, people must wait until a government agency assigns a workman to the job. Since industry, farms, business, and professions have all been expropriated without compensation by the government and are government owned and operated, government agencies alone decide what should be done, by whom, for whom, and when, if at all. Consequently, the average citizen waits for weeks for the repair of pipes, furnace, roof, or crumbling wall. Should he wish to repair it himself, he is not given the material with which to do it, not even a bag of cement.

Service to customers is also very poor as there is no business competition and personal initiative. One waits for weeks, even for months, for a suit to be cleaned and shoes to be resoled. The quality of goods is far inferior to what it used to be. Despite the fact that every ablebodied—and not so ablebodied—man and woman is hard at work, there is a scarcity of almost everything and the prices of consumer goods are very high.

The reason for this is Red Czechoslovakia's foreign policy: acting as a spearhead for the Soviet Union, the Prague regime gives considerable economic aid to the underdeveloped and neutralist countries the Soviets are trying to woo to their side. This is why the Prague regime has been supplying Castro with food, considerable technical aid, and arms. In return, Czechoslovakia has received some unwanted Cuban sugar, for Czechoslovakia herself has always been a heavy exporter of beet sugar.

Most of all, people lament the loss of freedom in their letters to American friends: "There is work for everyone, but that is all we have. Nothing is as it used to be. We have only our memories." Families with young children are afraid to attend church in their hometown because their son and daughter would be barred from a higher school of learning and from a better job. The letters reflect the weariness, apathy, and despair of the writer.

American relatives are anxious to send gift packages of American goods to their close of kin. It would be simple for a daughter to send a warm sweater to her mother in Czechoslovakia who writes: "My room is unheated and it is so cold that I stay in bed and cry myself to sleep. A wool sweater is not to be had and a cotton sweater isn't worth anything." The Communists have made it impossible, however, for Americans to send gift packages by placing in 1961 an astronomical duty on new goods and an almost prohibitive duty of 50 crowns on a kilo of used clothing (approximately $7 for 2.2 pounds; hourly wage of average office worker is 6 crowns; of farmworker as little as 12 crowns a day).

The Red regime has a definite purpose in mind: to squeeze dollars out of Americans. If Americans wish to help their needy Czechoslovak relatives, they must send dollars to the Red regime with which Czechoslovak citizens can then buy Czechoslovak goods, if and when available, in a government store called Tuzex.

The Red regime then has dollars for anti-American propaganda and Communist subversion in Latin America and elsewhere in the world. In view of these facts, it is hard to understand why our Government is so careful to observe strictly all the niceties and why it has not restricted the Red government monopoly which bars American goods. After all, we are in a strong position for we have the dollars. We could insist, for instance, on gift packages of American goods (limited in size and value) if we continue to send dollars (unlimited, so far) and to travel to Czechoslovakia with unlimited spending money. In order to curtail the flow of American dollars abroad, the United States limits its citizens on how much they can bring back into this country duty free and exacts other limitations on its citizens as well. Why not set up reciprocity regulations or limitations when dealing with the Reds?

So far, Americans of Czechoslovakia have been asking this question in vain.

A $12 BILLION DEFICIT WILL NOT PROMOTE GROWTH

Mr. PROXMIRE. Mr. President, there is nothing in the country's long experience with deficits to suggest that the administration's proposed $12 billion deficit will significantly stimulate economic growth or even forestall a recession.

In our $550 billion economy, even the $12 billion deficit programed by the administration will be swamped by the impact of private economic forces.

In the past 32 years, this Nation has become thoroughly experienced in Federal deficits. Deficits have been a continuous way of life for our National Government almost throughout this period.

These deficits have been so immense that the national debt has exploded twentyfold since 1930: from $16 billion to over $300 billion.

But except in World War II when deficits were astronomical, there is no evidence that continuous deficits have promoted economic growth. The evidence is all to the contrary.

The biggest growth in peacetime Federal debt, for example, was in the decade of the thirties and in the period since 1957. The thirties period was characterized by disastrous economic stagnation and record unemployment coinciding with 10 years of such heavy deficits that they would be equivalent to $20 billion annually today.

From 1957 to date, Federal deficits have averaged a heavy $6 billion per year. And yet, economic growth has been the slow-moving despair of current economists during this very period.

Advocates of the deficit route point to the impressive economic progress in Europe during the past decade to support the deficit stimulus theory.

The economic situation in European countries during the past 10 years is so vastly different from ours—particularly in terms of demand—that the comparison is not a valid one.

But even here what does the record show? The industrial star of Europe, West Germany, enjoyed a mammoth 92-percent growth in industrial production in the 8 years between 1953 and 1961—most recent years for which figures are available—compared to 20 percent in this country; but its deficit averaged one-tenth of 1 percent of gross national product during this period compared to an average deficit of four-tenths of 1 percent of gross national product in the United States of America. In terms of gross national product, Germany had one-fourth the deficit and four times the growth of this country.

JESSE LEE WARD, SR.

Mr. JORDAN of North Carolina. Mr. President, at its organizational meeting on February 27, 1963, the Committee on Rules and Administration took official cognizance of the death last November of Jesse Lee Ward, Sr., who for many years, both individually and through his commercial reporting firm, rendered competent and valuable service to the committee in connection with its legislative hearings. It is my understanding that Mr. Ward demonstrated the same type of personal concern and interest in the quality of service he supplied to other Senate committees, making apparent his dedication to the highest principles of his profession. Moreover, in many instances his working relationships with Members of the Senate over a long period of years developed into close personal friendships—a point emphasized at the meeting by none other than the dean of the Senate, the Honorable CARL HAYDEN.

Mr. President, in view of his contribution to our work and the esteem in which he was held, at the direction of the Committee on Rules and Administration I ask unanimous consent to insert a short biographical statement of Mr. Ward at this point in the RECORD.

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

JESSE LEE WARD

Jesse Lee Ward was born on a farm near Enterprise, Miss., August 23, 1886, the son of Horace R. and Semele M. Ward. Working on the farm until his late teens, he then went for a brief time to Mississippi A. & M. College, but left to find work to support himself. He then became a telegrapher for a period of time, during which time he studied shorthand and court reporting techniques. He worked as a substitute court reporter until a vacancy occurred in the circuit court at Meridian, Miss., where he began his life's work as a shorthand reporter.

He served under Judge W. W. Venable as a court reporter until the judge ran for Congress, being elected to the 64th Congress in 1916. When Judge Venable came to Washington to assume his congressional duties, he brought with him his court reporter as secretary, which position Mr. Ward held for the two terms Judge Venable served in Congress.

During the period of time Mr. Ward was secretary, he became familiar with the official committee reporters of the House, and when his work as secretary was terminated, he commenced reporting House and Senate committees as a free lance reporter. During the late twenties he also served as campaign manager and secretary for the late Senator Pat Harrison, of Mississippi, but returned to his first love, stenographic reporting, just prior to the depression in 1929, and continued reporting or directing his company of reporters, formed by a partnership with another secretary-reporter, Alfred C. Paul, until the time of his death November 3, 1962.

He was a Mason, a member of the bar of Mississippi, a member of the Civitan Club, deacon in the Calvary Baptist Church, and an active supporter of many charitable enterprises.

Throughout his life he maintained a firm insistence on accuracy, honesty, courtesy, and devotion to the ethics of the shorthand reporting profession, and this heritage he leaves behind him with many who worked with him to become masters of their, and his, profession.

THE INTER-AMERICAN HIGHWAY—IS THERE A SCANDAL?

Mr. GRUENING. Mr. President, yesterday's Washington Daily News carried a most disturbing story by Seth Kantor concerning the Inter-American Highway entitled: "Dream Highway a Nightmare" with a subhead: "$227 Million for a 3,142-Mile Inter-American Jolting." The article indicates that the highway on which the United States has spent so many millions is anything but a success. To whatever extent its allegations are substantiable, it constitutes a shocking indictment.

Last January, as a member of a subcommittee of the Public Works Committee of the Senate, under the chairmanship of our able colleague from West Virginia, JENNINGS RANDOLPH, he and I went to Central America on an inspection tour of the highway. Our report on the progress of the Inter-American Highway made to the Senate and presented to the Public Works Committee by its then chairman, the late Senator Dennis Chavez, expressed our concern at "the lack of any signs along the Inter-American Highway indicating that the construction of the highway was a joint undertaking, of which the United States has paid two-thirds of the cost besides providing expert engineering and other services without which the highway could not have advanced to its present status." That, according to the article by Seth Kantor has not yet been remedied, although we were promised it would be.

Our report to the Senate continued:

No adequate explanation was given as to why such markings have not been installed. This is more than a matter of pride. It seems to the members of the subcommittee that such markers would serve as constant daily reminders to the users of these highways of the interest of the people of the United States of America in the economic betterment of the people of the Central American countries.

The subcommittee, composed of Senator RANDOLPH and me, were likewise distressed to know that with the exception of Salvador the one-third cost contribution which the six Central American Republics were supposed to pay under the law establishing the joint financial responsibilities for the Inter-American Highway, Public Law 77–375 were largely derived from various types of foreign aid funds. In other words they are paying us with our own money. They included loans from the World Bank, from AID, from the Development Loan Fund, from the Export-Import Bank, and from the Inter-American Development Bank, and they totaled $153,-355,780. The specific items of aid are found on pages 63 to 70 inclusive of our report.

Another matter which should give the Congress concern is that the cost estimates given it by the responsible officials of the Bureau of Public Roads seem never to have been accurate. The article refers to this, and our committee report likewise quoted the specific testimony of government officials indicating that the highway could be completed for the sums then appropriated. Yet the Congress is still being asked to contribute more millions to complete the highway.

I ask unanimous consent that the subcommittee's comments on this aspect of the question, as well as the article by Mr. Seth Kantor and the tables showing how money from our foreign aid program has been substituted for the required contributions of these Central American countries, be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. I am further distressed that plans seem to be underway to have the United States, after the completion of this highway, provide, in substantial part, funds for its maintenance.

We do not permit our own States, under our Federal aid highway program, to use Federal funds for the maintenance of these highways. It seems fantastic that we should extend this generosity abroad when we deny it to ourselves at home. It would seem to me unthinkable that, after we have spent some 15 years in association with the highway agencies of these six Central American countries, demonstrating to them our presumed skills and know-how in highway construction, we should not have been able to inculcate upon them the ability and know-how thereafter to maintain these roads. I think this is a very serious matter and deserves the attention of the Congress.

EXHIBIT 1

DREAM HIGHWAY'S A NIGHTMARE—$227 MILLION FOR A 3,142-MILE INTER-AMERICAN JOLTING

(By Seth Kantor)

The United States has pumped more than $227 million and 33 years of engineering and construction into a crazy quilt of laziness, mistakes, landslides and floods, known as the Inter-American Highway.

Laid out from Panama to Laredo, Tex., the 3,142-mile road formally will open in May. Just back from a bone-rattling ride on it, the U.S. Bureau of Public Roads' chief expert on the highway described parts of it this way to the Washington Daily News today: "discouraging as hell."

WORSE

Spending 4 January and February weeks riding the highway that pierces six Central American nations and Mexico, the bureau's expert, Deputy Director of Engineering and Operations A. F. Ghiglione, said "sections of the highway are worse than they were 3 years ago." He said:

"Road directors don't make repairs, I traveled through water-filled ditches that have crawled across the road like giant lizards. They could have been stopped by peon labor, but weren't.

"Stuff is going on down there that would make a highway engineer sick at his stomach."

Mr. Ghiglione isn't a squeamish man. He spent 25 years in Alaska—10 of them as the Territory's commissioner of roads—fighting ice and snow. Chiefly, two things turned his stomach, he will tell Commerce Department bosses in a report he's preparing on his trip:

"I asked the public roads ministers of the Central American states to ride with me in my standard sedan. Some hadn't been on the highway—hadn't even looked at it—in more than a year."

"In one 95-mile stretch, in northern Guatemala, jostling ruts and bumps were covered by dust so thick that it was like riding on flour. We ate our own car's dust, through closed windows."

MONEY

For this, the United States has spent $227 million since 1930. Thirteen years ago, Congress was asked to approve $64 million "for completion of the highway." It did, with sighs of relief.

Since then, Congress has allotted four more whopping sums, totaling $16.9 million "for completion of the highway."

The American Automobile Association, just completing test rides of the highway, agrees with the U.S. Bureau of Public Roads' expert: "It's nowhere near complete." The AAA is fearful the highway's grand opening in May will bring out many vacationing families this year, looking for a romantic excursion from Texas to Panama. Said Mr. Ghiglione:

"The road is passable. But that's all. For little children and the elderly, it's tortuous in places. I wouldn't recommend it, except for the adventurous."

Bureau of Public Roads estimates are that the span of long-standing trouble "may be ready in 4 to 6 years," in a realistic appraisal.

Mexico is no problem, everyone seems to agree. Mexico had started its own section of the road before the official route was agreed on, 30 years ago. Mexico has not used U.S. funds and the Mexican section is considered in good driving shape.

THE REST

That leaves 1,555 miles of the highway running bumpety-bump down through Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. A report being prepared by the U.S. Bureau of Public Roads for "The Grand Opening" shows 515 of those miles—a third of the Central American span—in a state of neglect or in need of completion.

Another report is being prepared by a Texan, behind scenes in Congress, which will show the Inter-American Highway has been in the hands of various incompetents for years.

Since 1930, when the Hoover administration first started dropping U.S. taxpayer dollars into it, the highway in the six Central American countries has been like a bag developing holes faster than patches.

The six little countries have paid $63 million toward the grand opening in May.

Representative JIM WRIGHT, Democrat, of Texas, will report to colleagues on the House Public Works Committee that the public roads ministers of Latin American nations should "be relieved" of control of the highway.

OAS PLAN

Based on firsthand travels over the road, he will suggest next month that "a responsible body should be created to maintain the highway." He will urge an Inter-American Highway Authority be established, under the Organization of American States, to:

"Keep the road from falling apart in places, as it has been."

"Establish a means of repair revenue, such as taxes from gasoline stations along the route and franchised motels and restaurants."

Representative WRIGHT also is disturbed about "lack of salesmanship by the United States." In 22 years, since heavy construction began in earnest on the highway, there hasn't been so much as one sign put up to show "the road is an example of teamwork among the Americas."

The United States has been putting up most of the money, but Representative WRIGHT has discovered "most people down there don't realize we've had a thing in the world to do with their road."

Where the United States has been "most lax," Mr. Ghiglione said, is in not enforcing original agreements with the six nations.

WALLPAPER

"Panama, Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala originally agreed in writing that U.S. construction aid would be held up at any time that they didn't maintain the road as it was built.

"Well, you could paper the walls with their agreements, for all the paper is worth. We now have wised up. Last October, Congress appropriated another $32 million to help bring the highway to a reasonable conclusion. This time, the money won't get into their hands unless we see them taking care of the highway."

The two biggest blights on the dream that was first envisioned by Pan American delegates as a railroad, in 1884, are in:

Costa Rica, where rock slides make an obstacle course out of one 133-mile stretch.

Guatemala, where the first 95 miles south of Mexico turn to gumbo in the 5-month-long rainy season and a haze of dusty ruts the rest of the year.

Honduras and El Salvador have the fewest problems. But combined, their stretch of highway is shorter than any of the other four countries where the big problems are.

COMMENTS—LOAN AND GRANT PROGRAMS AND ESTIMATES OF COST

The subcommittee has noted the report made recently on Latin American policies by a committee of which the senior Senator from Arkansas was chairman, and having as its members the majority leader, Senator MANSFIELD, and Senators HRUSKA, BIBLE, and SMITH of Maine. It is noted with special interest that paragraph in the the report, which our majority leader asked to be printed in the CONGRESSIONAL RECORD, volume 108, part 2, page 2077, and which reads as follows:

"We must face up to the enormous duplication of sources of help for Latin America which already exist. These are not yet used in any integrated pattern. We can ill afford to waste either the funds or the talents that are involved in this duplication. Moreover, it is likely that more sources of aid will continue to be piled on top of existing sources and, beyond great cost, there will be such cumbersomeness, confusion, rivalry, and redtape that effective followthrough under the Alliance for Progress will become next to impossible."

This astute observation is especially true with respect to aid for the construction of highways in Central America. The record indicates that, in addition to funds appropriated directly by the Congress for the Inter-American Highway ($138,703,000), various grants and loans have been made by various lending agencies for the total highway program in Central America since 1955.

A breakdown of these loans appears at the end of these comments.

The statute under which the Inter-American Highway was authorized provides with respect to matching the following:

"Not to exceed one-third of the appropriation authorized for each fiscal year may be expended without requiring the country or countries in which such funds may be expended to match any part thereof, if the Secretary of State shall find that the cost of constructing said highway in such country or countries will be beyond their reasonable capacity to bear. The remainder of such authorized appropriations shall be available for expenditure only when matched to the extent required by this section by the country in which such expenditure may be made (23 U.S.C. 213(a)).

Thus the intent of the statute was that the United States of America would pay no more than two-thirds of the cost of the Inter-American Highway and the Central American country involved would pay one-third of the cost.

The subcommittee is concerned at the extent to which loans granted by the Export-Import Bank have been used to meet the matching requirements of the statute. At the time the funds authorized for this project were increased in 1955, in response to a question by Senator Kerr as to whether there was a "satisfactory basis to assure us that the affected countries will be ready to put up their one-third of the cost," Mr. Henry F. Holland, Assistant Secretary of State for Inter-American Affairs, replied:

"Senator, we have conferred with each of the governments affected and each is de-

lighted to accelerate its own contribution to carry out this program."

Yet, Mr. Holland, in his prepared text, inserted into the record, indicated that only Guatemala and Costa Rica required loans and that the remainder of the countries involved were able and willing to put up their shares of the costs of completing the Inter-American Highway.

However, the record indicates that all the nations involved, with the exception of El Salvador, have borrowed either from the World Bank or the Export-Import Bank to meet their matching shares. The program has thus become one in which the United States has granted to the nations involved (other than El Salvador) two-thirds of the cost of building this highway and has lent to them, other than El Salvador, the remaining one-third.

The concept of self-help involved in this project, therefore, has been diminished by the availability of loans from the United States and the World Bank to enable these nations (other than El Salvador) to meet their shares of the costs. To the extent that payment for the cost of constructing the highway has been deferred, the burden in the future of repaying both the loan and current maintenance costs will be the greater. The danger is that needed maintenance costs will be deferred—since they bear no due date—and the roads will be permitted to deteriorate to the point where there will be a need for high reconstruction expenditures.

COST ESTIMATES

The subcommittee hopes that estimates presented to it by the Bureau of Public Roads as to the amounts needed to complete the Inter-American Highway will be more accurate than those presented in the past.

The subcommittee reminds the Bureau of Public Roads that when it appeared before the committee in 1955 requesting an additional authorization of $25,730,000 to complete the Inter-American Highway, assurances were given at that time the highway could be completed with such a sum. The following colloquy took place at that time:

Senator GORE. I would like, Mr. Chairman, to inquire either of Mr. Curtiss (Commissioner of Public Roads) or Mr. Turner (Assistant to the Commissioner of Public Roads), as to the reliability, in their opinion, of the cost estimates?

"Mr. CURTISS. We think they are reliable, and that the work can be done for that amount.

"Senator GORE. Did you arrive at the recommended amount through detailed study or is it a so-called educated guess?

"Mr. CURTISS. Mr. Turner was in charge of the work of making the estimates. I think it was a careful estimate.

"Senator GORE. Do you say so, Mr. Turner?

"Mr. TURNER. Yes."

However, in 1957, the Bureau of Public Roads was before the Congress again requesting an additional authorization of $10 million and admitting that its previous estimates had been incorrect. Such increased authorization was voted by the Congress.

Now we are told that a request for the authorization of an additional $32 million will be made to the Congress, again for the purpose of completing the construction of the Inter-American Highway.

Thus, the Bureau's estimate in 1955 that the expenditure of the sum of $25,730,000 would complete the Inter-American Highway turns out to be incorrect by $42 million—an error of close to 200 percent. No one now can say what the reaction of the Congress would have been in 1955 if it had been told that it would take $67,730,000 to complete the highway rather than $25,730,000. Congress is entitled, if it is to legislate intelligently, to more accurate estimates than have hitherto been furnished it with respect to this program.

Loans made by the various lending and grant agencies for road construction to the Central American Republics

The World Bank	$64,100,000
AID (Foreign Assistance Act)	21,055,780
Development Loan Fund	24,900,000
Export-Import Bank	40,800,000
Inter-American Development	2,500,000
Total	153,355,780

Aid under the Foreign Assistance Act to Guatemala for highway construction

REPUBLIC OF GUATEMALA

Fiscal year 1955:	
Pacific slope	$3,675,000
Seminar	1,100
Fiscal year 1956:	
Pacific slope	1,700,000
Atlantic Highway	3,205,000
Quetzaltenango-Retalhulen	950,000
Pacific slope, east and west sections	1,206,000
Fiscal year 1957:	
Atlantic Highway	6,043,000
Pacific slope	1,700,000
Project access roads	700,000
Fiscal year 1958: Project access roads	675,000
Fiscal year 1959	None
Fiscal year 1960: Bridge construction—reobligation	204,000
Fiscal year 1961	None
Total	20,059,100

Current credit and loans extended to Guatemala by the Export-Import Bank for use on completing construction of Inter-American Highway

REPUBLIC OF GUATEMALA

Credits authorized		Undisbursed balance	Status of loans			Interest	Repayment terms
Date	Amount		Disbursed	Repaid	Outstanding		
Dec. 16, 1960	$3,000,000	$3,000,000				Percent 5¼	24 semiannual payments beginning July 31, 1964.

Statement of loans made by the International Bank for Reconstruction and Development (the World Bank)

GUATEMALA—ROADS

Fiscal year report	Year made	Maturities	Interest rate including commission	Original principal amount	Partial cancellation	Effective loans sold or agreed to be sold	
						Total sales	Portion matured
			Percent				
June 30, 1957	July 29, 1955	1959–70	4⅝	$18,200,000		$576,000	
June 30, 1958	do	1959–70	4⅝	18,200,000		576,000	
June 30, 1959	do	1959–70	4⅝	18,200,000		576,000	$576,000
June 30, 1960	do	1959–70	4⅝	18,200,000		576,000	576,000
June 30, 1961	do	1959–70	4⅝	18,200,000		576,000	576,000

	Principal repayments to Bank	Effective loans held by banks	Principal amount disbursed
June 30, 1957		$17,624,000	
June 30, 1958		17,624,000	
June 30, 1959		17,624,000	$17,618,443
June 30, 1960	$1,192,000	16,432,000	17,963,303
June 30, 1961	2,440,000	15,184,000	18,199,066

No loans have been made to Guatemala under the following lending programs: International Development Association, Inter-American Development Bank, and Development Loan Fund.

Aid to the Republic of El Salvador for road construction under Foreign Assistance Act

Fiscal years 1955 through 1958	(1)
Fiscal year 1959: Highway training	$6,000
Fiscal years 1960–61	(1)

[1] No grants.

No loans were made under the following programs: Development Loan Fund, International Development Association, Inter-American Development Bank, and the Export-Import Bank.

Statement of loans made by the International Bank for Reconstruction and Development (the World Bank)

EL SALVADOR—ROADS

Fiscal year report	Year made	Maturities	Interest rate including commission	Original principal amount	Partial cancellation	Effective loans sold or agreed to be sold	
						Total sales	Portion matured
			Percent				
June 30, 1957	1955	1959–66	4½	$11,100,000		$250,000	
June 30, 1958	1955	1959–66	4½	11,100,000			
June 30, 1959	1955	1959–66	4½	11,100,000		250,000	$250,000
June 30, 1960	1955	1959–66	4½	11,100,000		250,000	250,000
June 30, 1961	1955	1959–66	4½	11,100,000		250,000	250,000
June 30, 1959	Jan. 7, 1959	1963–74	5¾	5,000,000			
June 30, 1960	do	1963–74	5¾	5,000,000		300,000	
June 30, 1961	do	1963–74	5¾	5,000,000		300,000	

	Principal repayments to Bank	Effective loans held by banks	Principal amount disbursed
1957		$10,850,000	
1958		10,850,000	
1959	$334,000	10,516,000	$10,692,467
1960	1,542,000	9,308,000	10,829,036
1961	2,804,000	8,046,000	11,042,218
1960		4,700,000	380,998
1961		4,700,000	1,405,677

Loan to Republic of Honduras for road construction under International Development Association

Date: May 12, 1961.
Amount: $9,000,000.
Period: 50 years.
No interest.
Amortization after 10 years; 1 percent for 10 years, 3 percent for 30 years.
Repayable in foreign currency.

Aid under the Foreign Assistance Act program to the Republic of Honduras for highway construction

REPUBLIC OF HONDURAS

Fiscal year 1955: Consultation on highways	$9,600
Fiscal year 1956: Consultation on highways	39,076
Fiscal year 1957: Consultation on highways	32,000
Fiscal year 1958: Consultation on highways	$37,000
Fiscal year 1959: Consultation on highways	47,000
Fiscal year 1960: Consultation on highways	29,000
Fiscal year 1961: Equipment and management operation	71,000
Total	264,676

Loan to Republic of Honduras for road construction under International Development Association—Continued

Loan from the Development Loan Fund to Republic of Honduras for road constructions

REPUBLIC OF HONDURAS

Made in fiscal year 1958.
Amount approved: $5,000,000.
Paid back $440,661.
Repaid $25,000.

Loan from the Development Loan Fund to Republic of Honduras for road constructions—Continued

Interest 3.717 percent.
Repaid in lempiras.

Loan from Inter-American Development Bank to Republic of Honduras for road constructions

REPUBLIC OF HONDURAS

Project: Roads.
Date of loan: May 12, 1961.
Amount: $2,500,000, of which $500,000 is a grant and $2,000,000 is loan. Up to $750,000 for local costs.
Repayable in 2 years, at an interest rate of 4 percent.
Repayment of principal in Honduras currency (lempiras) and payment of the interest will be made in dollars.
Repayment begins 4½ years from date of contract.

Statement of loans made by the International Bank for Reconstruction and Development (the World Bank)

HONDURAS ROADS

Fiscal year report	Year made	Maturities	Interest rate including commission	Original principal amount	Partial cancellation	Effective loans sold or agreed to be sold	
						Total sales	Portion matured
			Percent				
June 30, 1957	Dec. 22, 1955	1955–64	1½	$4,200,000		$872,000	$483,000
June 30, 1958	do	1955–64	1½	4,200,000		872,000	483,000
June 30, 1959	do	1955–64	1½	4,200,000		872,000	802,000
June 30, 1960	do	1955–64	1½	4,200,000		872,000	872,000
June 30, 1961	do	1955–64	1½	4,200,000		872,000	872,000
June 30, 1957							
June 30, 1958	May 9, 1958	1961–78	5⅜	5,500,000			
June 30, 1959	do	1961–78	5⅜	5,500,000		200,000	
June 30, 1960	do	1961–78	5⅜	5,500,000		299,000	
June 30, 1961	do	1961–78	5⅜	5,500,000		299,000	97,000

	Principal repayments to Bank	Effective loans held by banks	Principal amount disbursed
June 30, 1957		$3,328,000	
June 30, 1958			
June 30, 1959	$185,000	3,143,000	$3,750,392
June 30, 1960	643,000	2,685,000	3,988,063
June 30, 1961	1,195,000	2,133,000	4,140,549
June 30, 1957			
June 30, 1958			
June 30, 1959		5,201,000	422,214
June 30, 1960		5,201,000	2,356,041
June 30, 1961		5,201,000	4,064,608

Current credit and loans extended to Honduras by the Export-Import Bank for use on Inter-American Highway construction

REPUBLIC OF HONDURAS

Credits authorized		Undisbursed balance	Status of loans			Interest	Repayment terms
Date	Amount		Disbursed	Repaid	Outstanding		
Jan. 17, 1957	$1,810,000	$510,000	$1,300,000	$110,000.99	$1,189,999.01	Percent 5¾	30 semiannual payments beginning Feb. 1, 1960, except advances in excess of $1,100,000 payable 30 semiannual payments beinning Aug. 1, 1962.

Loans made to Nicaragua for highway construction by the various lending agencies of the U.S. Government

NICARAGUA

Development Loan Fund	[1]
Inter-American Development Bank	[1]
Aid under the Foreign Assistance Act:	
1956: Public roads	$17,644
1957: Transportation, highways	14,000
1958: Transportation, highways	5,000

[1] No loans.

Loans made to Nicaragua for highway construction by the various lending agencies of the U.S. Government—Continued

NICARAGUA—continued

Aid under the Foreign Assistance Act—Continued	
1959: Transportation, highways	$7,000
1960: Transportation, highways	6,000
1961: Transportation, highways	5,000
Total	54,644

Loans made to Nicaragua for highway construction by the various lending agencies of the U.S. Government—Continued

NICARAGUA—continued

Export-Import Bank: Dec. 12, 1956—Loan, 5¾ percent interest. Repayable 30 semiannual payments beginning Aug. 1, 1959. Purpose, construction of Inter-American Highway	$2,000,000
The World Bank—International Bank for Reconstruction and Development. (See attached sheet for breakdown.)	

Statement of loans made by the International Bank for Reconstruction and Development (the World Bank)

NICARAGUA—ROADS

Fiscal year report	Year made	Maturities	Interest rate including commission	Original principal amount	Partial cancellation	Effective loans sold or agreed to be sold	
						Total sales	Portion matured
			Percent				
June 30, 1957	June 7, 1951	1954–61	4⅛	$3,500,000		$29,000	$29,000
June 30, 1958	do	1954–61	4⅛	3,500,000		29,000	29,000
June 30, 1959	do	1954–61	4⅛	3,500,000		29,000	29,000
June 30, 1960	do	1954–61	4⅛	3,500,000		29,000	29,000
June 30, 1961	do	1954–61	4⅛	3,500,000		29,000	29,000
June 30, 1957	Sept. 4, 1953	1957–63	4¾	3,500,000			
June 30, 1958	do	1957–63	4¾	3,500,000			
June 30, 1959	do	1957–63	4¾	3,500,000			
June 30, 1960	do	1957–63	4¾	3,500,000			
June 30, 1961	do	1957–63	4¾	3,500,000			

	Principal repayments to bank	Effective loans held by banks	Principal amount disbursed
June 30, 1957	$1,213,000	$2,258,000	
June 30, 1958	1,680,000	1,791,000	
June 30, 1959	2,167,000	1,304,000	$3,500,000
June 30, 1960	2,673,000	798,000	3,500,000
June 30, 1961	3,200,000	271,000	3,500,000
June 30, 1957	214,000	3,286,600	
June 30, 1958	657,000	2,843,000	
June 30, 1959	1,121,000	2,379,000	3,417,942
June 30, 1960	1,606,000	1,894,000	3,500,000
June 30, 1961	2,116,000	1,384,000	3,500,000

Current credit and loans extended to Nicaragua by the Export-Import Bank for use on construction of Inter-American Highway

REPUBLIC OF NICARAGUA

Credits authorized		Undisbursed balance	Status of loans			Interest	Repayment terms
Date	Amount		Disbursed	Repaid	Outstanding		
Dec. 12, 1956	$2,000,000	$245,509.36	$1,754,490.64	$113,342	$1,641,148.64	Percent 5¾	30 semiannual payments beginning Aug. 1, 1959.

Aid under the Foreign Assistance Act to the Republic of Costa Rica for highway construction

REPUBLIC OF COSTA RICA

Fiscal year 1955: Highway planning, construction, and maintenance improvement project	$2,400
Fiscal year 1956: Highway improvement project	27,960

Aid under the Foreign Assistance Act of the Republic of Costa Rica for highway construction—Continued

REPUBLIC OF COSTA RICA—continued

Fiscal year 1957: Highway improvement project (training personnel)	$14,000
Fiscal year 1958	None
Fiscal year 1959: Ministry of Public Works—highway planning	7,000
Fiscal year 1960: Ministry of Public Works—highway planning	5,000

Aid under the Foreign Assistance Act of the Republic of Costa Rica for highway construction—Continued

REPUBLIC OF COSTA RICA—continued

Fiscal year 1961: Ministry of Public Works—highway planning	$5,000
Total	61,360

Under the Development Loan Fund, Inter-American Development Bank, and World Bank, no loans were authorized for road construction.

Current credit and loans extended to Costa Rica for use on Inter-American Highway construction by the Export-Import Bank

REPUBLIC OF COSTA RICA

Credits authorized		Undisbursed balance	Status of loans			Interest
Date	Amount		Disbursed	Repaid	Outstanding	
						Percent
Nov. 3, 1955	[1] $14,540,000	$2,964,977.51	$11,575,022.49	$2,671,342.00	$8,903,680.49	4½
Apr. 22, 1942	[2] 7,000,000	----------	6,985,000.00	2,552,062.61	4,432,937.39	3½
Apr. 15, 1960	[3] 3,000,000	3,000,000.00	None	None	None	5¾

[1] The above loan or balance of $9,540,000 is repayable in 30 semiannual payments beginning May 1, 1957.
[2] This loan of $7,000,000 was for materials and services for the Inter-American Highway, repayable in 80 quarterly payments beginning Jan. 1, 1951 ($15,000 of it not used).
[3] This loan is repayable in 30 semiannual payments beginning Sept. 1, 1962.

Statement of loans made by the International Bank for Reconstruction and Development (the World Bank)

PANAMA—ROADS

Fiscal year report	Year made	Maturities	Interest rate including commission	Original principal amount	Partial cancellation	Effective loans sold or agreed to be sold	
						Total sales	Portion matured
			Percent				
June 30, 1957	July 12, 1955	1959–64	4¼	$5,900,000	----------	$1,700,000	----------
June 30, 1958	do	1959–64	4¼	5,900,000	----------	1,700,000	----------
June 30, 1959	do	1959–64	4¼	5,900,000	----------	----------	----------
June 30, 1959, Panama repaid 3 loans	----------	----------	----------	7,390,000	$542,574	1,700,000	$1,700,000
June 30, 1960	July 12, 1955	----------	----------	7,390,00	542,574	1,700,000	1,700,000
June 30, 1961	do	----------	4¼	7,390,000	542,574	1,700,000	1,700,000
Do	Aug. 19, 1960	1964–75	5¾	7,200,000	----------	457,000	----------
Repaid 3 loans	----------	----------	----------	7,390,000	542,574	1,700,000	1,700,000
Total	----------	----------	----------	14,590,000	542,574	2,157,000	1,700,000

	Principal repayments to Bank	Effective loans held by banks	Principal amount disbursed
June 30, 1957	----------	$4,200,000	----------
June 30, 1958	----------	4,200,000	----------
June 30, 1959	$5,147,426	----------	$6,847,426
June 30, 1960	5,147,426	----------	6,847,426
June 30, 1961	5,147,426	----------	6,847,426
Do	----------	6,743,000	----------

Aid under the Foreign Assistance Act to the Republic of Panama for highway construction

REPUBLIC OF PANAMA

Fiscal year 1955	None
Fiscal year 1956	None
Fiscal year 1957	None
Fiscal year 1958	None
Fiscal year 1959	None
Fiscal year 1960:	
Training and operating of heavy equipment	$75,000

Aid under the Foreign Assistance Act to the Republic of Panama for highway construction—Continued

REPUBLIC OF PANAMA—continued

Fiscal year 1960—Continued	
Reobligation—training and operating of heavy equipment	$103,000
Fiscal year 1961:	
Training and operation of heavy equipment	117,000

Aid under the Foreign Assistance Act to the Republic of Panama for highway construction—Continued

REPUBLIC OF PANAMA—continued

Construction of farm-to-market roads	$315,000
Total	610,000

No loans were made to Panama from the Development Loan Fund or the Inter-American Development Bank for highway construction.

Current credit and loans extended to Panama by the Export-Import Bank for use on construction of Inter-American Highway

REPUBLIC OF PANAMA

Credits authorized		Undisbursed balance	Status of loans			Interest	Repayment terms
Date	Amount		Disbursed	Repaid	Outstanding		
June 14, 1957	$12,850,000	$6,749,579	$6,100,421	----------	$6,100,421	*Percent* 5¼	60 quarterly payments beginning July 31, 1962.

ADMINISTRATION'S TAX PROGRAM

Mr. GOLDWATER. Mr. President, for many months now I have had a suspicion that there existed along the reaches of the New Frontier a very serious and fundamental misunderstanding of the American enterprise system and the Nation's economy. If I ever had any doubts about this, they have certainly been laid to rest by recent developments in connection with the administration's program for tax reduction and tax reform. I doubt if there ever has been so much confusion over a plan for changing the tax system than exists today over the program sent up by President Kennedy. And, Mr. President, we have only the Chief Executive himself to blame for this confusion. Frankly, I no longer know what to think about the official attitude of our Government—and I doubt if the American people know what to think about it.

Consider what we were told, Mr. President, when the administration's tax program was submitted to the Congress just 1 month ago. As I remember it, the President in his special message said it was needed to promote economic growth, to provide more employment, and to put our unused production capacity to work. He spoke in terms of long-term improvement of the economy and said,

> My recommendation for early revision of our tax structure is not motivated by any threat of imminent recession.

Now, those words were spoken at a time when it appeared that the administration's tax program would encounter

little difficulty in the Congress. I am sure everyone remembers the support which at that time was coming from all areas in general acceptance of the premise that the Federal tax system had become burdensome and needed to be revised. Organized labor as well as business groups appeared to be closing ranks behind the President's request, and there was no great need for the administration to engage in pressure tactics and propaganda broadsides to press its point.

But now all that has changed. Strong public opposition has arisen to the whole idea of slashing taxes without a corresponding reduction in Government spending. Strong opposition has arisen to the whole idea of deliberately planned deficits and continued fiscal irresponsibility on the part of the Federal Government. In addition to this, great differences of opinion have arisen over how and where taxes should be reduced.

So what happens? Now we find the President speaking darkly about a recession and saying that if it comes those who oppose his tax program must bear the responsibility. Less than 5 weeks after the President told us that his tax recommendations were not motivated by any threat of imminent recession, he tells the American Bankers Association that, if there is no tax reduction, the country will be struck with its fifth postwar recession in the not-too-distant future. And after insisting that any tax reduction must be accompanied by tax reform in his message to Congress, the President tells the bankers that he is willing to scrap his reform proposals to get a $10 billion tax cut.

Mr. President, what goes on with this administration? Are we expected to believe that the economic situation has changed so radically since January 24, when the special tax message came up to us, that the Nation is now threatened with recession? Are we to believe that the need for consumer purchasing power, which so bemuses the New Frontier as a means for spurring the economy, has increased in that period? If so, the administration is trying to sell a phony package. Only 2 days ago the Wall Street Journal reported that in a time of record spending, public savings have risen an amazing 20 percent since 1960. In the period since 1957, they have increased 41 percent.

And let me list here the conclusions the Journal draws from these phenomenal figures. It says:

> The large savings supply forms a money cushion in public hands if a recession occurs.
>
> It provides fuel for still greater spending in the months ahead and, possibly, for renewed inflation.
>
> It suggests consumer demand, for the time being, is lagging behind ability to buy and casts doubt on the degree to which a tax cut can spur consumer spending.
>
> It exerts downward pressure on interest rates.

Mr. President, if there is a fifth postwar recession in the not-too-distant future, it will not be for lack of consumer purchasing power; it will be for lack of confidence in the administration's handling of fiscal affairs.

The President, in his talk to the bankers, challenged the critics of his program to put forward a solution of their own. Most of those critics have been putting forward a solution—and a sound solution—ever since talk of an administration-sponsored tax reduction program first began. And that solution is to reduce Government spending, not increase it, in concert with a program designed to lower taxes which have the effect of depressing capital investment.

It is more than obvious that when the President asks for alternate solutions, he wants only those that fit his preconceived formula of what will help the American economy. His trouble is that he will not entertain the idea that his whole formula is faulty. He is wedded to the idea that the way to solve the unemployment problem is to increase consumer purchasing power through both tax reduction and Government spending. He holds the economically naive belief that this will increase demand and guarantee the full utilization of America's presently unused production capacity. If this is a valid belief, then why is there so much consumer purchasing power presently residing in the time deposits at the banks, in savings bonds, in short-term Government securities, in savings and loan shares, in postal savings? If the need is for more purchasing power why has there been an extraordinary, record pileup of savings of 20 percent since 1960 against only a 3-percent increase in consumer credit?

And even if there was a need for increased consumer purchasing power—which there obviously is not—the filling of this need would not guarantee the full utilization of the Nation's production capacity. It is not enough merely to say that some of this capacity is unused because demand is lacking and that by increasing consumer purchasing power the necessary demand will be provided.

Let us take an example. When the New Frontiersmen speak of unused plant capacity in the United States, the steel industry is often cited as a case in point. Figures are produced to show that the steel industry is operating at only 60 percent of capacity. Then it is argued that if the steel industry produced at 90 percent of capacity the gross national product would increase and more people would be employed. The argument rests on a belief that if people had more money to spend they would spend a lot of it for products in which steel is used. This, in turn, would supposedly increase the demand for steel and bring about capacity or near-capacity production in American mills.

The trouble with this argument is that it overlooks the fact that steel-producing capacity is of many varieties, and some of that capacity is for a kind of steel that is no longer wanted. A large part of the 40 percent unused steelmaking capacity will never be used again, no matter how much consumer purchasing power is expanded.

If things were as simple as the President and his economic advisers would like us to think, why was it that the steel industry spent a billion dollars last year to increase capacity? Why did not the steelmakers merely use some of the 40 percent of idle capacity the administration talks about?

The reason is easy to understand. An industry operating at only 60 percent of its total capacity had a need for a different kind of production capacity. It needed a new capacity to produce this sheet steel so that it could compete better with the producers of other kinds of materials, such as plastics and aluminum. In short, it had to increase capacity for reasons of advancing technology and in recognition of the fact that a great deal of its existing, but unused, capacity would not fill the bill.

If demand stemming from consumer purchasing power was the answer to unused capacity in the steel mills, it would be difficult to understand why 1962 was not a capacity year for steel. Just consider the automobile industry, perhaps the largest single user of steel in America, and consider the fact that 1962 was one of the biggest years the automakers ever enjoyed. General Motors, for example, had the biggest year of any corporation in American history. Steel demand also was high in the fields of construction, highways, industrial plants, housing, schools, and military hardware.

Mr. President, the need today is not for utilization of old and obsolete plant capacity, but for the building of new kinds of plant capacity. There is need for the kind of tax reduction that will increase the capital investment needed to build this kind of capacity. There is need, too, for greater research and development and for more retraining of manpower for new tasks. I do not care how much this administration increases consumer purchasing power; it will not put unemployed coal miners back to work. It is about time the President begins to realize that our present problems are not the kind that lend themselves to easy answers such as deficit spending combined with tax reduction.

In closing, Mr. President, let me take note of the President's complaint that his tax program has become the target of "heated, partisan, exasperated, and rash assaults." I believe these assaults are fully justified and stem from a better understanding of how the American economy works than is presently held at the White House or in the Treasury Department. They are based on a distrust of printing-press money and overwhelming deficits. They are based on justified fear of ruinous inflation and further aggravation of our adverse balance of international payments.

In short, they are a nationwide protest against the New Frontier's policy of deliberately planned deficits, fiscal irresponsibility, and distrust of the enterprise system.

RATIFICATION BY THE STATES OF ALASKA AND OHIO OF THE PROPOSED POLL TAX AMENDMENT TO THE CONSTITUTION

Mr. HOLLAND. At this time, Mr. President, I am happy to announce that two more States have ratified the anti-poll-tax amendment which the 87th Congress submitted to them last year. They are the States of Alaska and Ohio.

The Alaskan Senate took affirmative action on February 1, by a vote of 19 to 0 and the Alaskan House on February 11, by a vote of 27 to 8; thus completing the necessary action for ratification by that splendid new State.

According to an Associated Press dispatch appearing in this morning's Washington Post, the Senate of the Ohio Legislature unanimously approved ratification of the amendment yesterday. I have since been notified by our distinguished colleague, the senior Senator from Ohio [Mr. LAUSCHE], that the Ohio House overwhelmingly approved the amendment on February 6 by a vote of 119 to 3, and the Senate's unanimous action of yesterday, 31 to 0, completes ratification by that great State.

This brings to 13 the number of States which have thus far ratified the amendment, the others being California, Illinois, Indiana, Maryland, Michigan, Montana, New Jersey, New York, Oregon, Rhode Island, and West Virginia. There are several other State legislatures presently considering ratification of the anti-poll-tax amendment where it has been approved in one of the two houses and is now pending before the other.

Mr. President, I am delighted to express my deepest appreciation to my distinguished colleagues from Alaska, Senators BARTLETT and GRUENING, and from Ohio, Senators LAUSCHE and YOUNG, all of whom cosponsored and supported the measure to passage last year and who lent their effective assistance this year in bringing the matter to the attention of the legislatures of their States.

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

Mr. HOLLAND. I yield to the Senator from Tennessee.

Mr. KEFAUVER. As a cosponsor of the joint resolution resulting in the submission of this proposed constitutional amendment to the States, I wish to commend the Senator from Florida for the leadership he is taking in bringing the matter of the importance of ratification of the proposed amendment to the attention of the legislatures of the various States, and in keeping Members of the Senate and Congress in general informed as to the progress the amendment is making.

I wish to have the Senator know that I am hopeful that the Legislature of Tennessee, which is now in session, will before it adjourns approve the resolution embodying the amendment, which I hope will be the 24th amendment to the Constitution.

Mr. HOLLAND. I appreciate the kind remarks of the distinguished Senator from Tennessee. No one has been more devoted in pressing this matter than he has. I hope that he will be successful in his very sincere efforts in his own State. No one would be happier than the Senator from Florida to hear about the successful culmination of his efforts.

Mr. KEFAUVER. We hope to have good news for the Senator soon.

Mr. LAUSCHE. Mr. President, as the Senator from Florida knows, I supported the joint resolution when it was before the Senate. After it was passed by Congress, I contacted the Governor of Ohio, the majority leaders in the senate and the house in the State, and the minority leaders in the Ohio Legislature. The gratitude which the Senator from Florida is expressing today should go to these men, namely, the Governor of Ohio, and the leaders of both the majority and the minority in both Houses, because it was they who did the work which led to so expeditious approval by the State of Ohio of this important matter.

Mr. HOLLAND. I express again my appreciation to the Senator from Ohio. I believe that he is overmodest. His own efforts counted very heavily in the ratification by the State of Ohio of the proposed amendment. I appreciate his placing this information in the RECORD, because it shows again that this effort is a bipartisan effort.

Mr. LAUSCHE. Gov. James A. Rhodes is a Republican. The Republicans are the majority party in both houses of the Ohio Legislature, and the Democrats are in the minority.

Mr. HOLLAND. Again, that shows that we are proceeding in a bipartisan way in this matter.

Mr. President, I am happy to yield to the distinguished Senator from Alaska.

Mr. GRUENING. Mr. President, I wish to congratulate the distinguished Senator from Florida on the progress which the anti-poll-tax amendment to the Constitution is making. I congratulate him upon his leadership and enterprise in presenting this important issue to the Nation.

The people of Alaska are extremely grateful to Senator HOLLAND for his important part in assisting them to secure statehood, for without his assistance Alaska might not have become a State and would not have been able to cast a vote to ratify this amendment. Thus virtue brings its own reward.

The senior Senator from Florida was one of the Senate leaders in helping us to achieve statehood in the days when the achievement of statehood did not look too promising. With not too much prospect of success, his help was particularly valuable, for he came from a region in which relatively few of the Members of Congress favored statehood. Therefore, his support was perhaps more important than that of almost any other Member of this body.

I am very happy to pay him this tribute and to express on behalf of myself and the people of Alaska our deep appreciation.

Mr. HOLLAND. I assure the distinguished Senator from Alaska that I deeply appreciate his comments. It is a source of pleasure and pride to the Senator from Florida to recall always that he was one of the many Senators who strongly sponsored the admission of Alaska to statehood. I like to think that the vote which has just been cast by the Legislature of Alaska indicates a rather strong justification of the hopes and the strong convictions which so many Senators had that Alaska would live up very fully to the responsibilities of statehood.

Mr. GRUENING. I thank the Senator from Florida.

Mr. BARTLETT. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the distinguished senior Senator from Alaska.

Mr. BARTLETT. It is interesting to note that the resolution which was adopted by the Alaska Legislature, to which the senior Senator from Florida has referred, was Senate Joint Resolution 1. It was introduced by the State affairs committee. As the Senator has already noted, the resolution was approved unanimously by the Alaska Senate. I only wish the same had been true in the house, notwithstanding the fact that the vote in the house was overwhelmingly in favor of the resolution.

I, too, am happy that the Alaska Legislature has acted so promptly and affirmatively. I join with my colleague from Alaska [Mr. GRUENING] in commending the senior Senator from Florida for making it possible for the Legislature of Alaska, the Legislature of Ohio, and the legislatures of other States in the Union to act upon this amendment. I hope it will soon become the 24th amendment to the Constitution of the United States. I also commend the Senator from Florida for his bold leadership in this endeavor.

Thinking back to another time, I also wish to join with my colleague from Alaska in expressing gratitude and admiration to the Senator from Florida for his wonderful leadership in the cause of Alaska statehood.

Mr. HOLLAND. I express my very deep appreciation to the Senator from Alaska. It is always a pleasure for me to remember that, along with some 76 other Senators, it was possible for us to submit the resolution. I think we are all entitled to equal credit in that respect.

So far as statehood for Alaska is concerned, a great many of us were working in that cause. I was happy to be among those who were in the ranks.

Mr. President, I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, while I fully appreciate the sincerity of the Senator from Florida and the efforts which he made not only to pass this constitutional amendment through the Senate, but to have it ratified by the States, as a matter of information I should like to inquire what States, if any, of the 11 States of the Confederacy have ratified the anti-poll-tax amendment.

Mr. HOLLAND. I am sorry to say that as of this date there have been none. The Senator from Tennessee [Mr. KEFAUVER] has just advised us that both Houses of the Tennessee Legislature, which is now in session, have had presented to them resolutions of ratification, and that he is hopeful of their passage.

As I have already stated to the distinguished Senator from Illinois, the Governor of Florida will recommend to the April session of the Florida Legislature that it, too, ratify the amendment; and the two Senators from Florida are doing everything in their power, including the making of personal appearances, to secure that ratification. Further than that, the Senator from Florida has no information at this time.

Mr. DOUGLAS. I thank the Senator from Florida. If I may be permitted to continue, while I voted for the adoption of the constitutional amendment, I felt that it was inferior to legislation to eliminate the poll tax, because it will be necessary to have three-fourths of the States ratify it; therefore, the failure of 13 States to ratify will mean that the amendment will not go into effect.

I am disappointed that none of the 11 States of the Old Confederacy have ratified the amendment as yet. I expressed my doubt at the time whether many of them would. I think this has been the strongest objection against the method of a constitutional amendment. I only hope that we may get ratification from the Southern States as well as from the Northern and Western States.

Mr. HOLLAND. I appreciate the apprehension of the Senator from Illinois. I think I should add that while I have no information about what the great State of Texas may do about ratification, I have been advised by one of the Senators from Texas that the present Governor of Texas, Governor Connally, has recommended to the legislature of that State that it abolish the State poll tax for all purposes. I think that is one of the results we may attribute, in part at least, to the submission of the amendment last year.

I am sure the Senator from Illinois knows that the Senators from Florida are working in every way they know how to bring about the ratification of the amendment, not only in their own State, but elsewhere, as well. I hope that the Senator from Illinois will continue his efforts in that direction.

Mr. DOUGLAS. Illinois, I think, was the first State to ratify the amendment.

Mr. HOLLAND. That is correct. Illinois was the first State to ratify the amendment. I was happy to name the two Senators from Illinois in my first comments on this subject, shortly after the convening of the 88th Congress. I was happy to pay my respects and express my compliments and appreciation to both Senators from Illinois, who, I understand, actively worked for the ratification of the amendment by their State.

PRESIDENT KENNEDY'S MESSAGE ON CIVIL RIGHTS

Mr. KEATING. Mr. President, I warmly applaud the President's message on civil rights, which was submitted to Congress today.

Although there are some notable omissions, this is the President's strongest message on civil rights to date. I welcome and applaud it. His eloquent words will have to be matched by determined leadership if any of his legislative proposals, and others which are needed, are to see the light of day. A major opportunity to lay the groundwork for meaningful civil rights legislation was forfeited by yielding to the filibusterers last month. But I am certainly ready to join in whatever bipartisan efforts are now needed to make significant progress in this field.

SECONDARY MATERIAL INDUSTRIES

Mr. KEATING. Mr. President, on March 15, representatives of an important, but little recognized industry will meet in New York City to celebrate their 50th anniversary.

The National Association of Secondary Material Industries represents a vast industry that is comprised of generators, processors, and consumers of metals, paper stock, textiles, rubber and plastic scrap. In all, this industry represents an annual volume of approximately $5 billion. It provides vital raw materials to practically every segment of the American economy. And, perhaps of greatest importance of all to the American people, the activities of this industry provide raw materials that assure the manufacture of quality and yet economically priced end products. To many this industry has meant the difference between "have" and "have not."

Perhaps many will best remember this industry, and the association that represents it, for their industrial contributions in World War I, World War II, and the Korean conflict. "Scrap" was literally a household word, and it was this industry, through its farflung collection system and its processing plants, that brought the needed raw materials for our defense effort to the marketplace.

This industry had a great wartime record. Moreover, it has achieved an equally impressive peacetime place in our economy. Its metals segment markets almost as much copper scrap as that mined in this country, and similar statistics can be cited in the use of other metals. In paper stock it accounts for almost a third of the raw material used by the consuming mills. The industry's importance in the textile, rubber, and plastic fields also is most startling.

There is yet another significant—and unique—attribute to recognize. Here is a conservation industry in the truest form. Here are enterprising businessmen who throughout our 50 States process the industrial, office, and household materials for reuse in our economic cycle. The actually perpetuate this cycle and, in so doing, play a mighty role in keeping our forests and other resources of limited supply from dangerous depletion.

The story of the National Association of Secondary Material Industries is a fine American story, since many of this association's member companies have transcended three generations. From humble beginnings they have become vital cogs in our industrial economy and leaders in our communities.

Thus, on this occasion of the 50th anniversary of the National Association of Secondary Material Industries, we should proudly pay tribute to an industry that has given real meaning to an age-old adage: "Waste Not—Want Not."

TRIBUTE TO SENATOR HICKENLOOPER

Mr. MILLER. Mr. President, a little more than a year ago, J. C. Moore, editor of the Winterset Madisonian, wrote a highly complimentary and much deserved article about my colleague, the senior Senator from Iowa [Mr. HICKENLOOPER]. In view of my colleague's reelection to the Senate, last fall, for a fourth term, I think it most appropriate that the article by Mr. Moore be printed in the RECORD; and I so request.

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

HICKENLOOPER FOR PRESIDENT

(By J. C. Moore)

Well, why not? BARRY GOLDWATER says that there should be more than three names available. BARRY is working and willing but is too much on the conservative side to carry a presidential election. Nixon says that if elected he will serve 4 years as Governor of California. Rockefeller says that his first consideration is to be elected Governor of New York. So we submit HICK as a compromise middle of the road candidate for the Presidency.

Last year at the Republican National Convention, HICKENLOOPER, the chairman of the delegation, was given a courtesy vote by the delegates. At the next convention, to be held in 1964, we'd like to see the Iowa delegation instructed for Iowa's leading Senator. We served with HICK in the Iowa Legislature, we have visited with him in the statehouse in Des Moines while he was Governor. We have called on him a couple of times in Washington, D.C., and we have never met a man who was more qualified to serve as a leader in the United States.

After serving in World War I as an artillery officer, he then graduated with a B.S. degree at Ames after which he acquired a degree in law at the University of Iowa. After serving two terms in the Iowa House of Representatives, he served two terms as Lieutenant Governor until he was elected Governor in 1942. Since then he has been elected three times to the United States Senate. No other Iowan has such a record, and only two Republican Members of the Senate outrank him in length of service.

In the Senate he was the first Chairman of the Atomic Energy Commission, of which he is still the first ranking member. He is the second ranking Republican on the Foreign Relations Committee, and third ranking on the Agricultural Committee. He is also on the Committee of Aeronautical and Space Sciences.

While in the Senate he served on the Committees for Rules and Administration and Expenditures of the Executive Department, was a member of the Smith-Mundt committee, has represented our country at Vienna at the International Atomic Energy Agency, was a Senate consultant at the Atomic Ban Conference in Geneva and is a Senate consultant on the Inter-American Development Bank.

Besides these major committee assignments he has served on committees to investigate oversea information programs, disarmament, foreign aid and foreign policy study. In 1958 President Eisenhower appointed him as U.S. Representative to the United Nations General Assembly.

Recently he was accorded the highest honor that he could receive from his fellow Republican Senators in Washington when he was elected as chairman of the Republican Senate policy committee.

At present he is a candidate for his fourth term in the Senate. We assume that he will be elected without too much trouble. Iowans (Democrat or Republican) are too smart to throw away such a wealth of experience, such seniority and such old fashioned American integrity as they have in Senator BOURKE B. HICKENLOOPER.

Now back to the Presidency again. No State ever went down the drain supporting a favorite son. HICKENLOOPER because of his service to the State and Nation deserves the honor. If nominated and elected President then there would be a vacancy in the U.S. Senate for some other deserving Iowan. If nominated and then defeated by Kennedy, he would still have 4 years of his term yet to serve in the Senate and the party would be in an excellent position for the 1963 campaign.

Of course we are going to do our utmost in the forthcoming campaign to send HICK back to the Senate, but at the same time we are going to work on the Presidential angle too. This trial balloon, if it can be called that, is completely unsolicited, unauthorized, and for all we know unwanted, but we think our reasoning is sound.

RELEASE OF OUTDATED PUBLIC PRESTIGE POLLS

Mr. SCOTT. Mr. President, the release of certain outdated public prestige polls is an additional example of the mismanagement of the news. Later on, I may have more to say about this matter; but at this time I call attention to the fact that the 2-year timelag in making these polls available to the public makes it possible for us to learn only at this time, for the most part, about what happened during the past administration; and I point out that the 2-year lag seems to have an obvious purpose, in that the public will be free to learn on October 22 or 23, 1964—several weeks before the next presidential election—of the status of American prestige and executive prestige on what I suppose is a purely coincidental date—October 22, 1962. At that time the actions of this Government received the united support of the people and the bipartisan support of all Members of Congress, representing both political parties, and there can be no question whatever that our prestige and our standing were then at a very high point.

I see no particular reason for the release of the polls for political purposes 2 weeks before the 1964 election, although the polls might just as well be released at the present time.

Moreover, the 1-year lag in making available some of these polls to less than one-tenth of the Members of Congress, under a seal of secrecy, and not making them available to the Congress generally or to the people also means that information furnished at that time in secret will itself be outdated; and, as I have said, the 2-year lag prevents any consideration of polls which may have occurred between the first week of November 1962 and the first week of November 1964. In other words, the public is to be excluded from the knowledge of what was contained in these so-called prestige polls, not only in the past, but also in the future. Anything that happens tomorrow or next month or next year will automatically be barred by the 2-year lag, because it imposes a virtual curtain on the greater part of the information; and the 1-year lag means that anything that happens after the first of November 1963 cannot then be made public to the country, although it will be released to certain selected Members of Congress, and will perhaps in one way or another find its way to public attention in a manner less gratifying than if it had been given openly to the press.

Mr. President, I deplore this type of news management. The proper thing to do would be to release at least the substance of such prestige polls—which I am convinced can be done without either compromising the sources or imperiling the national security, both of which phrases are used to conceal things the public is entitled to know. The excuses are flimsy and will not hold water.

ELDERLY HIT HARDEST BY TAX CUT

Mr. PROXMIRE. Mr. President, on February 15, 1963, the Treasury Department released a fact sheet showing that of the 18 million Americans 65 years old and over, 14½ million, or 80 percent, have such low incomes that they pay no Federal income tax now.

This means that four out of every five old persons could not possibly receive any benefit from an income tax cut. Since the overwhelming majority of the 20 percent of oldsters who do pay income taxes pay very little, the benefit would in aggregate be very small, indeed.

On the other hand, many of these older people are debtors. Interest is a heavy cost to them. The rising interest rates, which seem to be the certain companion of the income tax cut, will come out of their already pitifully inadequate incomes.

Indeed, both the Secretary of the Treasury and the Chairman of the Federal Reserve Board told the Joint Economic Committee this month that the economic stimulation flowing from the tax cut would be accompanied by rising interest rates.

Since these two men are the most powerful of the Nation's money managers, and since their policy decisions largely determine the course of interest rates, climbing interest costs seem sure if the tax cut is passed.

Even more sure and cruel, rising prices—another companion of any Federal deficit stimulation of the economy—would diminish what these older people buy with their modest incomes.

TAX CUT CANNOT INCREASE TAX REVENUES

Mr. PROXMIRE. Mr. President, on Monday the President of the United States spoke at a meeting of the American Bankers Association in Washington. At that time he said that in a short time his tax reduction program would result in increased tax revenues.

I vigorously disagree with the President on that point on the basis of the testimony of witnesses before the Joint Economic Committee, including the Council of Economic Advisers, the Secretaries of the Treasury, Commerce, Labor, Agriculture, and a number of economists who favor the tax cut. Their testimony indicates the contrary.

I ask unanimous consent that a letter which I have written to the President of the United States on this issue be printed at this point in the RECORD.

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

Hon. JOHN F. KENNEDY,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Last June, in your superb speech at the Yale University commencement, you called for an economic debate. In the spirit of that challenge, and because I disagree so strongly with an assertion you recently made that is of central importance in the whole controversy over the tax cut, I write you this letter.

In your speech to the American Bankers Association Monday you said that if the full tax reduction program which you have recommended this year is enacted, it will "in a short time, result in increased tax revenues."

As a Senator who sat through virtually every minute of hearings held by the Joint Economic Committee this year and listened to the testimony of the strongest administration supporters of your tax program, your statement that tax revenues will increase following your recommended tax cut seems to me to be wholly unjustified.

The total, long-term effect of the tax cut on eventual revenues is determined by how much the tax cut, which initially reduces revenues, later may restore some of those lost revenues or even increase revenues by the stimulation it may bring to the economy.

To my knowledge, there is no evidence in the testimony of any witness before the Joint Economic Committee that the tax cut would actually increase revenues. I remind you that the witnesses included your Council of Economic Advisers, the Secretaries of the Treasury, Commerce, Labor, Agriculture, and a number of economists who enthusiastically favored the tax cut.

As a matter of fact, none of the witnesses called before the committee opposed the tax cut.

But even among these tax cut supporters, the general consensus was as follows:

1. A tax cut would increase the gross national product 2 to 2½ times. A $10 billion tax cut was expected to increase the GNP by $20 to $25 billion depending on monetary policy. A restraining monetary policy was expected to reduce the stimulating effect of tax reduction. The threefold increase in the gross national product suggested by the Council of Economic Advisers (after the hearings) was the highest multiplier suggested by any witness.

2. Most of the economists who testified on the share of the increase in the GNP which would be picked up by the Federal Government in revenues estimate that it would be about one-sixth. This is close to the relationship between Federal revenues and GNP. The Council of Economic Advisers took the extremely optimistic assumption that 30 percent of the GNP increase might flow to the Federal Government in increased revenues.

3. With a multiplier of two, a tax cut of $10 billion, the one-sixth relationship between Government revenues and increased GNP, would mean an increase in the GNP of $20 billion and with a one-sixth recovery of tax revenues, $3⅓ billion would be regained of the $10 billion tax cut—for a net loss of $6⅔ billion.

If the most favorable assumptions for the tax cut made by any witnesses are applied—that the stimulation is three and the Federal Government increases its revenue by 30 percent—with a $10 billion tax cut, the GNP would be increased to $30 billion. Federal revenues would be 30 percent of this or $9 billion. Result: with a $10 billion tax cut the loss would be $1 billion. That seems to be the minimum revenue loss on assumptions that are most favorable to tax reduction.

You cite the 1954 tax cut as an example of a tax reduction which resulted in increased tax revenues. This is a post hoc, ergo propter hoc argument. As such, it doesn't stand up. All kinds of factors were at work to stimulate the economy and therefore increase revenues in 1955 through 1957, including especially a pent-up investment demand and a strong consumer demand for automobiles.

There is not a shred of evidence that the tax cut per se stimulated the economy sufficiently to actually cause a net increase in revenues. One could just as well argue that it was not the tax cut but a very sharp reduction in Government spending in 1954 that reduced the deficit and gave the business community the kind of confidence it needed to invest in and stimulate the economy.

A tax reduction may be wise or unwise. It may or may not significantly stimulate the economy and reduce unemployment. But on the basis of the testimony by the Nation's top advocates of a tax cut before the Congressional Joint Economic Committee: it will not increase Federal tax revenues; it will not help balance the budget; it will not reduce the national debt.

Sincerely,

WILLIAM PROXMIRE.

Mr. PROXMIRE. The impact of the President's tax proposal on various income groups was dramatically shown in a table submitted to the Joint Economic Committee by Dr. Leon Keyserling. This table eloquently dramatizes the regressive effect of the proposed tax cut. I ask unanimous consent that the table be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Is there objection?

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

President's proposed tax structure in 1965 compared with present structure (1962), at various tax levels for married couple with 2 children

(1) Taxable income level	(2) Present tax [1]	(3) Present income after tax	(4) Proposed tax [2]	(5) Proposed income after tax	(6) Percent tax reduction	(7) Percent increase in after-tax income	(8) Percent tax to income	
							Present	Proposed
$3,000	$60	$2,940	0	$3,000	100.0	2.0	2.0	0
$5,000	420	4,580	$280	4,720	33.3	3.1	8.4	5.6
$7,500	877	6,623	663	6,837	24.4	3.2	11.7	8.8
$10,000	1,372	8,628	1,068	8,932	22.2	3.5	13.7	30.7
$15,000	2,486	12,514	2,076	12,924	16.5	3.3	16.6	13.8
$25,000	5,318	19,682	4,605	20,395	13.4	3.6	21.3	18.4
$35,000	9,037	25,963	7,814	27,186	13.5	4.7	25.8	22.3
$50,000	15,976	34,024	13,837	36,163	13.4	6.3	32.0	27.7
$100,000	44,724	55,276	38,542	61,458	13.8	11.2	44.7	38.5
$200,000	115,224	84,776	95,072	104,928	17.5	23.8	57.6	47.5

[1] Assuming 10 percent deduction for taxes, interest, contributions, medical, etc.

[2] Assuming President's proposal, as revised by Dillon's testimony, of $100 minimum deduction for married couple and $100 for each child; 10 percent for incomes between $6,000 and $10,000; $1,000 flat deduction between $10,000 and $20,000; and 5-percent deduction for $20,000 and up.

NOTE.—Actual slight deviations from these workable assumptions would not in the slightest change the general import of the analysis.

U.S. BASES IN SPAIN—LET US NOT BE BLACKMAILED

Mr. GRUENING. Mr. President, several Members of the Senate, including our able and distinguished senior Senator from Georgia, have raised a warning flag that in the negotiations pending for the continuation of our bases in Spain—if it seems in our national interest to continue them—the U.S. representatives conducting these negotiations should be careful to avoid being high-pressured into increasing the very generous largesse we have been giving Spain and its dictator, Francisco Franco, for a decade. The Washington Post, in an editorial which I inserted in the RECORD 2 weeks ago, even sounded a note warning of possibly impending blackmail.

It is well to keep this issue before the American public. U.S. administrations have been altogether too soft in their dealings with foreign nations in connection with our aid program and particularly so with dictators.

Pertinent is an editorial from a recent issue of the Christian Science Monitor entitled "Castles in Spain," which likewise urges that we should not again yield to extortion. I ask unanimous consent that it be printed at this point in my remarks.

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

CASTLES IN SPAIN

Some of the most flagrant abuses of foreign aid were in Spain. As usual they were caused by the military, not the economic side of the aid program. In return for the eagerly sought—or dearly bought—American bases in Spain, huge dollar sums were simply handed over to the Madrid Government to spend as it pleased. No wonder Spain has demanded more of the same, now that the base agreement is up for renewal.

But the bargaining terms have changed.

In the earlier postwar years, any military man in Washington who studied the economic and political reports out of Madrid would turn pale. They read as if the whole Spanish house of cards was about to collapse, and the obvious sequel would be communism. Well into the late 1950's the same panic reaction continued in Washington. Withdraw American support, funneled through the bases program, and what looked to the military like the safest bastion in Europe might go over to the enemy.

These fears were exaggerated. But the American response, which was to give Madrid far too much of what it imperiously demanded, simply confirmed the confidence of Spanish officials who thought they had the United States over a barrel.

Now Spain is easing its more extreme economic rigidity and groping its way into the modern period. It is still deep in economic trouble but the likelihood of Communist takeover and the exaggerated fear of it have been eased. And Washington, now gives the impression of really wanting to avoid a give-away and being willing to negotiate rigorously. It is shopping elsewhere in the Mediterranean for Polaris bases, and everywhere withdrawing its vulnerable and obsolete land missiles.

The United States need not yield to extortion this time.

Mr. GRUENING. Recently Members of Congress have been recipients of a Spanish Newsletter, obviously a fairly recent propaganda development, since it is only in its second volume. No. 2 of that volume, dated February 1, carries a commentary entitled "New Pact on U.S. Bases Sought." A careful reading of it would indicate that the above-voiced fears are not without some foundation.

The article points to "the need for adaptation to present realities in a world which has undergone rapid radical changes of all kinds." Could this mean more money from Uncle Sam? On the other hand, it might mean that fashions in weaponry had so changed that the air bases were no longer necessary in Spain—or at least not at an increased price.

I ask unanimous consent that the extract from the Spanish Newsletter, entitled "New Pact on U.S. Bases Sought," be printed in the RECORD at this point in my remarks.

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

NEW PACT ON U.S. BASES SOUGHT

Under 10-year defense agreements between Spain and the United States signed in 1953, joint Spanish-American military bases have been established on Spanish soil. The agreements provided for automatic extensions of two successive 5-year periods, unless either government notifies the other it wants to cancel the pact. Spain has notified the United States that it wants to revise the agreements, which expire this year, and to renegotiate new terms for the naval base at Rota, near Cadiz, and joint use of the three major air bases. Here is a statement by a Spanish foreign office spokesman on the reason for his country's action:

Three events of international politics have coincided, but although the coincidence is unrelated in timing or intention, it has confused news media and may mislead public opinion. The three events are the expiration after 10 years of the Spanish-American agreements of 1953, the crisis in the European Common Market about Great Britain's application for membership, and the satisfactory evolution and intensification of Spanish-French relations made evident by the presence in Madrid of French Minister of Interior Frey and by the announcement of other important visits by members of the French Government.

Negotiations for renewal of the Spanish-American agreements were foreseen in the agreements. In conformity with article 5 of the defense agreements, Spanish Foreign Minister Castiella in a letter sent January 14 to U.S. Ambassador Woodward in Madrid officially announced his intention to invoke the renewal procedure. The decision derives from the need, in a true spirit of friendship and cooperation, for adaptation to present realities in a world which has undergone rapid radical changes of all kinds.

The need to preserve the spirit of the agreements while giving their content required revision, as well as to profit from

experience in carrying out the agreements, made the Spanish Government believe its decision will serve, through discussion leading to knowledge of respective viewpoints, to find a formula adequate to common objectives, thereby intensifying and strengthening the excellent relations between the two countries. * * *

CONFERENCE IN GENEVA TO HELP BACKWARD NATIONS ILL TIMED—REPORT OF OBSERVER

Mr. YOUNG of Ohio. Mr. President, I was honored by being appointed by the Vice President to serve along with my colleague, the distinguished junior Senator from Kansas [Mr. PEARSON] as an observer for the Senate of the United States at the recent United Nations Conference at Geneva, Switzerland, on the application of science and technology to help backward nations.

As I reported to the Senate recently, we were disappointed, disillusioned, and disgusted that this Conference was arranged and convened before proper planning and preliminary hearings were held within all the backward nations, and intelligent cooperation shown in selecting a few delegates from each nation. Frankly, I considered it a terrible waste of taxpayers' money to hold this Conference before briefing sessions had been held in every backward country and intelligent delegates carefully selected.

However, although my stay in Geneva was a waste of time, I believe that if the criticisms I have to report will be accepted by officials of the State Department and corrected in the future, our time and effort spent there as observers will not have been completely in vain. It is in this sense that I speak again today.

May I say at the outset that I hold Dr. Walsh McDermott, chairman of the U.S. delegation, in high admiration for his industry and for his valiant efforts to salvage something from this Conference. He is a man of intense enthusiasm and great industry. I feel that he did his best to conceal his disappointment at the failure of the Conference to make any real accomplishment and in the failure of many backward and emerging nations to have even one delegate at the Conference. With the assistance of Ambassador Jonathan B. Bingham and Ambassador Roger W. Tubby, both very able Americans, he did an outstanding job under extremely difficult circumstances. Dr. McDermott has recently been appointed as a consultant with the Agency for International Development, and I am sure that he will prove to be an effective—in fact, an outstanding—public servant.

It was most unfortunate that officials of the State Department promoted, or even permitted, this Conference to be held without adequate planning and preparation. It was a shameful waste of the time and talent of the more than 100 delegates from the United States. Of course much to the disappointment of our State Department officials many underdeveloped nations sent no delegates whatever. They should have anticipated this.

It is a good thing that the Vice President appointed two observers from the U.S. Senate to attend this Conference. It did not take us long to observe that the cart was hitched before the horse; that there was a lack of preliminary planning; that American taxpayers' money was thrown away on a futile conference.

The more developed nations of the world had large delegations present. The main purpose of this so-called Conference was to help the underdeveloped, emerging nations of the world. For the most part, the delegates of backward nations did not have the background and knowledge to enable them to cope with and to understand the extremely technical nature of the material presented by the delegations from the more scientifically advanced nations. It was evident that AID and State Department officials had failed to brief the nationals of these countries in their respective countries, to have motion pictures shown to groups there, and to assist in selecting a few delegates from each country. The attendance from the emerging nations was very disappointing. Many did not send even one delegate. The delegates from those nations which did were obviously uninterested or unable to understand the technical content of the multiplicity of speeches delivered.

Mr. President, I am informed that the Agency for International Development spent almost $400,000 for the expenses of our delegation alone. That was in addition to the $2 million authorized by the United Nations from its regular budget to which the United States contributes over 32 percent. Frankly, it was a complete waste of taxpayers' money. In all candor may I state that the emerging nations of the world are not yet ready for this type of conference. A great deal of background work must be done in their countries if conferences of this sort are to be successful in the future.

A State Department spokesman reported that 237 scientists and technicians submitted papers. Very likely, that many speeches or more were made throughout the 16 days of the United Nations Conference on the Application of Science and Technology to help backward nations. Practically the entire cost of this so-called Conference was paid directly or indirectly by our taxpayers. This was most unfortunate.

Scientists and physicists of the United Kingdom, Soviet Union, and the United States may have understood the technical papers prepared by their fellow scientists, but it was a fantastic idea on the part of some State Department and AID publicity men to believe that representatives of Nigeria, Sierra Leone, and emerging nations could understand and carry back to their countries the information given in a multiplicity of papers read or speeches made. State Department officials should make no such claim.

Let us not fool the American people. Does any State Department bureaucrat have the effrontery to claim that Nigeria and other African nations sent delegates first class at the sole expense of that new nation, recipient of millions of dollars of foreign assistance money from the United States? The same situation is true regarding other backward nations.

The excuse for holding this Conference was to help backward nations by giving their delegates scientific and technological information of which they had no knowledge.

It evidently never occurred to State Department officials that U.S. officials in AID, the Peace Corps, the Foreign Service, and so forth, are running all over the place in every country in Africa, Asia, and South America. Before similar conferences are held, these Americans who are already in these countries could do the proper preliminary work and enlist the cooperation of intelligent men and women of those countries. Local conferences could be held for the benefit of 200 or 300 nationals of each nation, with our technicians stationed there acting as advisers. Educational films could be shown as well as understandable scientific and technical literature illustrating the advances made in these fields by the United States and other more scientifically advanced nations of the world.

After a complete briefing and after thoroughly discussing the very complex subjects involved—after doing the necessary spadework—there could then be a selected group of people from each country, interested in the problems, sent to regional conferences within a few hundred miles' distance, and within the same area, instead of to a European city. Some delegations at Geneva from the emerging nations were composed for the most part of relatives of the rulers and political leaders of these nations. They seemed more interested in the parties and receptions than they were in the Conference itself, according to my observation and information.

Let me make it crystal clear that I do not advocate hiring any more bureaucrats to do the planning and work I have suggested. I am positive that American officials presently working abroad in our foreign assistance program and in various agencies can handle this additional duty without any difficulty whatever. If backward nations are to send competent delegations to international conferences, their delegates should be somewhat informed ahead of time. There is much preliminary work that should be done.

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

Mr. YOUNG of Ohio. Mr. President, may I have an additional 2 minutes?

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

Mr. YOUNG of Ohio. Mr. President, I express the hope that high officials in the State Department will curb and prevent this sort of thing in the future and stop this waste of hundreds of thousands of dollars. The millions of poverty-ridden people in the many new nations of the world are far more in need of instruction on improved methods of agriculture, on how to bring water to their villages, on how to build highways, on how to perform a multitude of vitally needed functions, than they are in sending delegates to hear speeches about computers, airplanes, pure science, and

other subjects beyond their comprehension.

This conference, precisely as stated by a congressional colleague in attendance as an observer, was often undermanned scientifically and technologically and unable to cope with the vast amounts of material presented to the conference.

He further stated:

Unfortunately these nations were overwhelmed by the massive delegations from the larger countries.

The net result was that members of the United Kingdom, Soviet Union, and U.S. delegations rose and read papers possibly of interest to their fellow members only. Yet a tremendous expenditure was incurred to bring delegates from the new underdeveloped African nations and from various countries of Asia and Latin America. These delegates came first class. Our taxpayers, who have been sweating and paying too much for foreign assistance, really paid for this extravaganza. It was shameful that eminent American scientists and physicists were given economy class tickets for this conference. More shameful that they were taken from important work in our country to spend a week or more attending this so-called conference.

Two U.S. Senators appointed as observers to render a public service were given economy class tickets. When we disembarked, some delegates were met as they emerged from the first-class section of the plane. If local officials wondered how it came that two U.S. Senators on a mission for their country were traveling economy class, that did not embarrass either of us, I am sure.

I am sorry that the time of the American delegates—many of whom were involved at home in very important work—was wasted along with hundreds of thousands of dollars of taxpayers' money because of a decision of some bureaucrats in the State Department. In the future such incompetence must not be permitted.

Mr. President, it is my feeling that the Senate of the United States should continue to be represented at international meetings of this kind. Perhaps by the presence of our observers we can prevent a recurrence of what happened at Geneva earlier this month.

I attended every conference morning and afternoon throughout the 4 days I was in Geneva, and my colleague, the distinguished Senator from Kansas [Mr. PEARSON] did likewise. We did no sightseeing. We avoided the parties and receptions held each evening, but according to hearsay, delegates from backward nations—not conspicuous in attendance at conference sessions—attended these receptions and parties. I was invited to five receptions and banquets but did not attend even one.

I also again wish to express my high regard for Dr. McDermott and the other American delegates who gave of their time untiringly and unselfishly in the interests of their country. I am sorry that so much of their time was wasted. It must have been a frustrating experience for most of them.

RESIDUAL OIL IMPORTS

Mrs. SMITH. Mr. President, we have often heard the comparison made between talk and action. We have often heard the term of "paying lipservice" to a principle or objective but taking no action.

Recently the Emergency Planning Director issued a report with respect to the residual oil import situation that may have given courage to New Englanders that the present policy of the administration discriminating against them on this was admittedly unjustified.

The report of the Emergency Planning Director is dangerous if it only gets the hopes of New Englanders up falsely—only to be let down by the President failing to do anything about the matter.

Until the President takes the action in the matter that is long overdue—an action which he pressed his predecessor on when he was a Senator from Massachusetts—until he acts, the report of the Emergency Planning Director is nothing more than the well-worn technique of merely "paying lipservice," of only talking but doing nothing about the situation.

It was in this spirit that I wrote the President of the United States day before yesterday—on February 26, 1963—urging him to do what he had urged his predecessor to do. I ask unanimous consent that my letter of that date to the President be placed in the body of the RECORD at this point.

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

U.S. SENATE,
Washington, D.C., February 26, 1963.

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

MY DEAR MR. PRESIDENT: Earlier this month I wrote you urging you to keep your commitment to the workers at the Kittery-Portsmouth Naval Shipyard to issue an executive order equalizing their pay rates with that of the Boston Naval Shipyard.

This time I want to urge you to do what you urged your predecessor in the White House to do. As a Senator from Massachusetts, you joined with your New England colleagues in petitions to President Eisenhower to remove the restrictions on residual oil imports. You urged not only a relaxation but a complete termination of the quotas which were ordered by the Eisenhower administration 4 years ago.

In this connection I invite your attention to an excellent article by Donald R. Larrabee in the February 20, 1963, issue of the Bangor Daily News. It is good reading.

Sincerely yours,
MARGARET CHASE SMITH,
U.S. Senator.

MANAGEMENT OF NEWS

Mr. FONG. Mr. President, I have just returned from a visit to my home State of Hawaii where I was able to meet with many of my constituents. On more than a few occasions I was asked about the policy of managing the news being practiced by the White House and the executive branch of our Government.

There is growing concern and criticism that the practice of managing news is injurious to our national welfare and seriously undermines the freedom of the press.

The people are rightfully dismayed by the calculated manner in which news is manipulated by the executive branch. They are wondering aloud whether the information passed on through controlled channels is the truth and nothing but the truth—or whether it is carefully "managed" to tell only what the administration wants, even if it means tailoring the news to only the partial truth, or even less. The press and the public insist that the administration practice candor and forthrightness in handling the news.

No less an authority in newspapering than Arthur Krock, the distinguished columnist of the New York Times, has accused President Kennedy of managing the news with what he calls a cynicism, a boldness, and subtlety unmatched in peacetime history. This sharp accusation comes from a Pultizer-Prize-winning newsman who for 21 years was chief of the Washington bureau of the New York Times and more recently a Times Washington columnist. Mr. Krock has documented his charges in an article he has written for the March issue of Fortune magazine.

Just as the complaints against the administration's manipulation of news are mounting throughout the country, we find in Hawaii a vigorous critic in the editorial columns of the Honolulu Star-Bulletin. This is not the first time that this courageous newspaper has assailed the mishandling of news by this administration, and I predict that it will not be the last—so long as the White House, the Department of Defense, and other agencies pursue their practice of managing the news, without regard to the right of the people to know the truth about their Government.

A most timely and meritorious editorial on this subject was published in the Star-Bulletin on Tuesday, February 19.

I ask unanimous consent that the editorial be printed at this point in the body of the RECORD.

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

[From the Honolulu Star-Bulletin, Feb. 19, 1963]

A RATHER SOUR SITUATION

Many quotations would fit the occasion. Best of all, perhaps, is one from Longfellow:

"Pride goeth forth on horseback, grand and gray,
But cometh back on foot, and begs the way."

There was arrogance, too—("the boast of arrogance soon turns to shame")—and not a little ignorance:

"Blind and naked ignorance
Delivers brawling judgments, unashamed,
On all things all day long."

The references are to the Kennedy administration's handling of news of the Cuban crisis.

"We," said Arthur Sylvester, Assistant Secretary of Defense for Public Relations, "managed the news. We used the news as a weapon. A government has an inherent right to lie."

These aren't Mr. Sylvester's exact words, but they are a faithful paraphrase of what he said and meant. He meant that at a critical time such as that existing during the

Cuban crisis a government, as the representative of the people, has a right to twist the truth if this will aid its survival.

Conceded. If the government, in order to deceive the enemy on a critical issue, finds it unavoidably necessary to deceive its own people as well, truth becomes a casualty. But a government in a democratic country ought to have the wisdom to know that no stone should be left unturned, once the crisis is over, to repair the damage, for damage will surely have been done to the people's confidence in their government.

Instead of so doing, Mr. Sylvester—and Mr. Sylvester in this regard is Mr. Kennedy; Mr. Sylvester doesn't talk on such weighty matters without the boss' approval and prior authorization—was not only unmoved by protests but boastful.

His attitude was, it was necessary. So what of it? What's all the fuss about?

We concede that under the circumstances then obtaining it was necessary. But it was outrageous for Mr. Sylvester or anyone else to brush off inquiries and protests as though he and the administration big shots had a patent on what was good for the country.

Now their chickens are coming home to roost. Gone is the pride of yesterday (We Americans "ought to be rather pleased with ourselves this Christmas," said President Kennedy December 17), and if Mr. Sylvester is saying anything louder than a mumble about managing the news it is impossible to hear it.

The reason is that, though the Kennedy administration is terribly anxious to have the country believe what it now says of the situation in Cuba, too many people remember Mr. Sylvester's smug declaration about the Government's right to lie when it thinks necessary.

The administration is sweating even more because the same critics who were saying the right things last fall while the administration was denying them—the administration was later proved to have been wrong—are again criticizing the administration and the administration is denying.

Since Senator KEATING was right in August and September, and the administration was wrong, who is more likely to be believed now, especially in view of Mr. Sylvester's defense of lying?

We give you three guesses. First two don't count.

FEDERAL JUDGE R. E. THOMASON, OF EL PASO, FORMER CONGRESSMAN, HONORED AS HUMANITARIAN

Mr. YARBOROUGH. Mr. President, among the many fine public officials who have served both the Nation and my home State of Texas, none has shown a greater devotion to public duty and the public interest and welfare than U.S. District Judge R. Ewing Thomason, of El Paso.

Like many other great Texans, including Sam Rayburn, Davy Crockett, Sam Houston, and Jesse Jones, R. Ewing Thomason was born in Tennessee. He was brought to Texas by his parents at an early age. He served as speaker of the Texas House of Representatives, like Speaker Sam Rayburn before him, and was an impressive candidate for the governorship of Texas, losing mainly because of geography, he being then from El Paso, in the far western corner of the State.

When I went to El Paso as a young lawyer in 1927, R. E. Thomason was the newly elected mayor. His law office was in the building in which my office was located. His encouragement and kindness meant so much to me that later I asked him to sponsor my admission to the U.S. Supreme Court, which he did.

R. E. Thomason served with distinction for nine consecutive terms in the House of Representatives of the United States and as an able member of the Committee on Armed Services all during World War II, was a strong and able advocate of measures which helped bring about victory in World War II.

On July 31, 1947, Judge Thomason resigned from the Congress, on being appointed U.S. district judge for the western district of Texas. He serves there now with fidelity and distinction, with a kindness and humanity and humility not always found in lifetime-appointed judges.

Judge Ewing Thomason has recently been paid a rare tribute in El Paso. The new R. E. Thomason General Hospital at El Paso has been named in his honor, in tribute to his broad humanitarianism and kindness.

Mr. President, I ask unanimous consent to print at this point in the RECORD the dedicatory speech by Ellis O. Mayfield, past president of the El Paso Bar Association, delivered on February 16, 1963, at the hospital dedication, and the two articles from the El Paso Times of February 17, 1963, entitled "New General Hospital Dedicated as Memorial to Judge Thomason" and "Happy End of an Era: New Thomason Hospital To Be Open Sunday."

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

THE DEDICATION OF R. E. THOMASON GENERAL HOSPITAL, FEBRUARY 16, 1963, ELLIS O. MAYFIELD, PAST PRESIDENT, EL PASO BAR ASSOCIATION, AND PAST PRESIDENT, EL PASO CHAMBER OF COMMERCE

Judge Thomason, Mrs. Thomason, Dr. Holcomb, distinguished guests and fellow Thomasonites, with all sincerity, to be asked to speak on this occasion is the greatest privilege ever extended to me—and I am truly honored.

While the exact occasion is a relatively new idea—the fact that R. E. Thomason would someday be honored by El Paso in some manner has been an accepted fact for almost 40 years.

Now, there has always been a question as to whether history makes the man or whether man makes the history—but I suspect that in the case of Robert Ewing Thomason it is a mixture of both, for it seems that wherever he has stood—whether as the mayor of his city—the speaker of the Texas Legislature—a national figure in the Congress of the United States—or as a leader in his profession, both at the bar and on the bench—history has been written. Moreover, your presence here today on this occasion attests to the fact that, in each case, he has stood the test of greatness—and the honor which was his has reflected to the great benefit of the people of this community, of this State, and of this Nation. While within his record of service are recorded the passing of some of the great moments of history, yet (and I admit I may be prejudiced) it seems to me that his service at the bar of justice must be, to a man of his qualities, his greatest source of satisfaction. For in that great, solemn courtroom this man sits as a living symbol of the fundamental guarantee of our Nation of laws that all who stand before him—both the great and the small—will receive equal justice under the law. There—in great dignity—is tested the rights of the individual against the welfare of the Nation and all who have witnessed this—have experienced a great source of satisfaction and a renewed confidence in the American way of life. There, then, is the personification of the law of this land—applying its concepts to human beings—in each case a different soul to which a separate set of facts necessarily applies and the balance which has been achieved between governmental and human rights is, I am sure, the fruition of a lifetime of public service by Robert Ewing Thomason.

Thus, over the years, the people of this community have wondered how we might best honor and remember our friend. His die has been cast and, in wonder, we remark: "How large is the mold."

From the beginning of recorded time, people have sought to perpetuate the record of greatness of their leaders—the early primitive stone pictures and carvings—the colossal pyramids—the Greek statues—faces perpetuated in rock on the sides of mountains—bronze castings in the public square. Which of these would be appropriate to this occasion?

It seems to me that any symbol should truly reflect the spirit of that which is symbolized—and while granite and bronze alone may perpetuate the physical features of the person—the genius of our friend is his inner warmth and friendship for his fellowman. He is the unique leader who can lead without turning his back on those who follow in his steps.

Therefore, there could be no more fitting tribute to this great man than the dedication to his name and to his service of this living memorial—a house of hope and mercy which exists but for one purpose—to help mankind.

This great hospital, then, the citizens of El Paso here dedicate to the everlasting honor of Robert Ewing Thomason.

[From the El Paso Times, Feb. 17, 1963]

NEW GENERAL HOSPITAL DEDICATED AS MEMORIAL TO JUDGE THOMASON

(By Ramon Villalobos)

El Paso's ultramodern $6.2 million R. E. Thomason General Hospital, described as one of the finest if not the best of is size in the United States, was officially dedicated Saturday "as a fitting memorial to a man who has dedicated his life to the service of his city, State, and National Government."

The brief ceremonies were held at the entrance of the imposing structure and before a large gathering of personal friends of the U.S. district judge, and city, State, and military authorities.

From the opening dedicatory prayer by the Reverend B. M. G. Williams, who also delivered the invocation at the ground-breaking ceremonies, to the last speaker, the honors and praise were paid to Judge Thomason, the people of El Paso, and particularly to the hospital's Women's Auxiliary and El Paso County Medical Association.

Dr. Dysart E. Holcomb, chairman of the board of managers of El Paso Hospital district, who served as master of ceremonies, praised the combined efforts of the many persons, public officials, and the newspapers, for their contribution to the successful realization of the modernistic hospital.

In his dedicatory speech Attorney Ellis O. Mayfield, in a tribute to Judge Thomason, said, "We are here today to honor our friend and we all know it."

"Now there has always been a question as to whether history makes the man or whether the man makes history—but I suspect that in the case of Robert Ewing Thomason it is a mixture of both, for it seems that wherever he has stood—whether as the mayor of his city, speaker of the Texas Legislature, a national figure in the Congress of the United

States, or as a leader in his profession, both at the bar and on the bench—history has been written.

"Moreover, our presence here today on this occasion attests to the fact that in each case he stood the test of greatness—and the honor which was his has reflected to the great benefit of the people of this community."

Mayfield said there could be no more fitting tribute to this "great man" than the dedication to his name and to the service of this hospital.

"This great hospital, then, the citizens of El Paso here dedicate to the everlasting honor of Robert Ewing Thomason," he said.

Taking the speaker's rostrum, Judge Thomason told those present, "This is the greatest honor that has ever come to me.

"I regret I do not have the words to adequately express my appreciation for the honor you do me and my family in the naming of this hospital. * * * I have tried, to be a good citizen but no man deserves extra praise or recognition for that. I thank all of you gentlemen for your very kind and generous remarks."

Judge Thomason then went on to congratulate the hospital board, the commissioner's court, and the medical society, and all who had a part in making the hospital possible. He also paid special tribute to the doctors, nurses, and the hospital's women's auxiliary who have given of their services freely and without hope of reward to the charity cases in the hospital and who will continue to do so in the new building.

"To them I extend the thanks of a grateful community," Judge Thomason said.

"My hope and prayer today is that this magnificent and modern hospital will live and prosper throughout the years to come—to bless, comfort, and heal the sick and suffering of El Paso and the Southwest."

Dr. W. R. Gaddis, president of El Paso County Medical Society, said that his group was proud to have been coagitator for construction of the hospital which, he said, "symbolizes the desire of man to care for the needs of his neighbor."

"It should be noted that medical care of all people has come to its present exalted status as a voluntary contribution of the practitioners and researchers in medicine, not the result of legislation.

"We owe no fealty to the higher-ups for this hospital, it is the will of the people," he said.

Dr. Gaddis then congratulated the people of El Paso and pledged El Paso County Medical Society's aid to the unfortunate sick to the best of "our ability."

"We join the people of El Paso in giving this accolade to our great outstanding public-spirited citizen, Judge R. E. Thomason, as a fitting tribute to his life of public service," he said.

County Judge Glenn Woodard, another speaker at the ceremonies commended the work of the hospital board whose members worked without compensation for more than 3 years.

"To them we owe our most sincere gratitude," the judge said.

He also praised Judge Thomason and said the naming of the hospital was a dedication to a man who has spent most of his life for the betterment of the people.

After the ceremonies, guests, which included representatives of all the local hospitals, and United States and Mexican military authorities, were taken on a special guided tour of the hospital.

[From the El Paso Times, Feb. 17, 1963]

HAPPY END OF AN ERA—NEW THOMASON HOSPITAL TO BE OPEN SUNDAY

(By Barbara Funkhouser)

The new R. E. Thomason General Hospital will be open for public inspection between 10 a.m. and 6 p.m. Sunday and every taxpayer in El Paso County should go see what he bought.

When all the bills are paid it will have cost the $6.2 million available which includes $3.7 million from the issuance of bonds approved by El Paso taxpayers and $2.5 million in Federal Hill-Burton funds contributed by every taxpayer in the United States.

Expenses are approximately $5.2 million for construction by R. E. McKee General Contractors, Inc., $346,000 to Garland & Hillis Architects, $450,000 for furnishings and supplies and the remainder for land acquisition.

These are the figures but the new hospital represents more than money. It represents a decade of crusading by those cognizant even then of the desperate conditions in the old hospital which will be vacated March 1 and razed immediately. It represents a year's work in creation of El Paso Hospital District, 2 years on the drawing board, and 2 years in construction.

GENEROUS TAXPAYERS

It represents the generosity of taxpayers toward the indigent residents of El Paso County in need of medical attention, and their interest in raising health standards of the community.

It represents the blood, sweat, and tears of those who have laughed and wept and continued to work toward building the finest hospital in the Southwest.

The new Thomason General Hospital is a fine building. It is sleek and modern in appearance, colorful yet restful in its furnishings, and fully equipped.

The project has had its stormy moments. The psychiatrists did not like fourth-floor plans and will continue to use Gilbert Annex. There was not enough money for the proposed chronic-care unit so the would-be psychiatric floor may be used for this purpose. The dentists didn't like the furnishings of the dental suite so these were changed. Furnishings and equipment had to be bid twice to stay within the funds available and, finally, some of the floors had deflected too much but the building has been declared safe and some floor area has been leveled.

However, through all of this there has not been a hint of corruption, graft, dishonesty, insincerity, or inability connected with the project—a large and public project.

It is perhaps unfortunate that those attending Sunday's open house cannot first tour the old building of narrow halls, inadequate lighting and heating, almost no plumbing, rattletrap equipment, and crowded wards.

The new building is vastly different. The main entrance off Alameda Avenue is approached around the memorial fountain given by Judge and Mrs. R. E. Thomason as an indication of their interest in the hospital.

Doors lead into the lobby area, open in the front with a large information booth to the left behind which is an attractive row of cubicles and offices composing the admitting department.

The southwest corner of this floor, behind admitting, is devoted to business offices, medical records, the library and other facilities surrounding a small courtyard.

The southeast corner is the outpatient department designed to accommodate 60,000 patients per year; the eye, ear, nose, and throat and neuropsychiatric treatment departments and occupational and physical therapy facilities.

Between these two sections of the first floor is the seating area of the lobby, gift shop, first floor pharmacy, chapel, classrooms and offices, and the glass walls through which hospital visitors may overlook the large inner courtyard complete with sprays of water, evergreen plantings and a live oak tree.

The east half of the first floor is perhaps the most important part of the hospital. On the west end are the entrances for hospital employees and doctors and the emergency entrance through which probably 25,000 emergency patients will move in the remainder of this year.

Three large operating rooms and six large treatment rooms make up the emergency department which is adjacent to the recovery and intensive care units of two isolation rooms and a large ward accommodating at least 10 beds and a nurses' station.

EMERGENCY DEPARTMENT

Next to recovery is surgery, with six major operating rooms. Then comes a row of urology examination and treatment rooms adjacent to the radiology department of four major X-ray rooms completely equipped with almost everything available in this field.

Finally, in the northeast corner is the extensive laboratory.

The arrangement of this half of the first floor is a point of pride with the designers because, unlike most other hospitals, they have achieved what appears to be the logical sequence of emergency, intensive care, recovery, surgery, X-ray, and laboratories.

Also leading from this floor are the glass-enclosed walkways to Gilbert Annex and the tuberculosis annex.

While this will be the busiest public door, the key to the operation of the entire hospital is the basement or ground floor below.

Here is the nerve center for the pneumatic tube-conveyor and trayveyor systems by which supplies and drugs will be moved to every area of the hospital after ordered, cleaned, sterilized, packaged or whatever is needed.

COLORFUL CAFETERIA

Here, too, on the east side is the kitchen and cafeteria equipped to accommodate thousands of persons. Colorful tables and chairs are arranged to overlook the large inner courtyard. It will be a pleasant place to eat and the food at Thomason General Hospital is excellent even in the old building.

On the west side is an unfinished area which one day will become a large dining room and to the west is the auditorium where students or other persons may view surgical procedures by closed circuit TV or hold meetings.

There is much more on this floor which would be of primary interest to mechanically minded persons or those interested in systems in the name of efficiency. It is also connected by tunnels through which food, supplies and equipment will be moved to the annexes.

But taking one of several swift elevators upward, the second floor is the administrative area plus some of the air control equipment.

Here are the offices of the administrator, personnel director, director of nursing and her assistant; bedrooms for doctors and technicians while on call but not busy in the hospital, various other staff facilities and the hospital board conference room.

Above this floor are the five floors composing the patient room tower. Here are 250 new beds, 50 on each floor divided into single, double, and 4-bed rooms.

Each room includes at least one floor-to-ceiling window with colorful blue and green drapes and a bathroom with dressing table and large mirror, lavatory, commode, shower and communication system to the nurses' station.

PRIVACY PREVAILS

Each bed may be separated off for privacy by drawing a yellow curtain and each has a pillow speaker through which the patient may speak directly to the nurses' station and receive an answer, turn on the radio and, if he can pay for it, turn on the television set.

The theory behind the pillow speaker is that it will save many unnecessary trips by the nurse into the patient room and nurses are in short supply at Thomason.

In the center core area of each floor is the central nurses' station, classrooms, preparation and storage rooms, offices, public restrooms, and a host of other facilities. Dayrooms are at each end.

The third floor is for obstetrics, nurseries, and maternity nursing. Here will be born approximately 100 babies each month and for a change, it is hoped that each will have his own crib and there will be enough incubators to house the premature infants.

In normal operation, this floor is designed for 34 adult beds and 46 bassinets and another of those nice "gizmos" to be found in the new Thomason is the speaker system between the corridor and nursery so that the proud parent and nurse need not lipread or shout through the plate glass separations.

The fourth floor, designed as the neuropsychiatric nursing unit, will be used when needed as a chronic care unit or a regular nursing floor. The only differences between this and other tower floors are the windows have security screens and elevator lobby areas and exits can be locked.

The pediatrics department will be on the fifth floor which is designed for use, more or less, in sections whereby beds and rooms not occupied by children can, if necessary, be used for adult medical-surgical patients.

Sixth and seventh floors are regular medical-surgical nursing units.

As a building, the new Thomason General Hospital will be the finest county hospital anywhere. It is a physical plant capable of fulfilling the dream of a community health center.

It is a tribute to the man for whom it is named. It is a monument to those who have been responsible for its construction. It is a decent place in which to work for those who serve humanity. It is a place you and I can go for emergency treatment.

It requires several hours to tour the entire hospital, but the open house Sunday provides an opportunity to see whatever part of it is desired.

SPENDING AND TAXATION

Mr. LAUSCHE. Mr. President, in a period of our history not too long ago, referred to by some as the thwarted thirties, there were those who proclaimed that the way out of a depression would be to spend and spend, and tax and tax. Now, currently, in the not so roaring sixties, there is a new school of thought that the way to get the country moving again is to spend and spend, but not to tax and tax. Indeed, these are times that try men's souls—and their pocketbooks.

Mr. President, Mr. J. S. Seidman, of a prominent firm of New York City certified public accountants, has written a very thought provoking article entitled "How Do We Sober Up Our Intaxicated Nation?" In order that members of the Congress and others may have an opportunity to read the article by Mr. Seidman, I ask unanimous consent that it be printed in the body of the RECORD as a part of my remarks.

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

HOW DO WE SOBER UP OUR INTAXICATED NATION?

(By J. S. Seidman)

In the thwarted thirties, the administration in office proclaimed that the way out of a depression is to spend and spend, and tax and tax.

In these not so soaring sixties, the administration in office says that the way to get the country moving again is to spend and spend, but not tax and tax.

What was said when the Nation was struggling to be born is just as applicable today: These are the times that try men's souls—and their pocketbooks.

It's natural for everyone to want a tax cut. It's natural for everyone to want a Government handout of one sort or another. What's unnatural is not to face up to the fact that we can't have it both ways without ultimately falling on our face.

Hence, this clarion call to restraint and sobriety. Let's all look at both sides of the ledger. To me, here are the answers that emerge:

1. To have a tax cut unmatched by an expenditure cut is to endanger the economy, not improve it. We don't get stronger by depleting the Treasury. If budget deficits were the way out, we should now be enjoying economic paradise, since we have had sizable deficits in 25 of the last 31 years. But we know from history what happens to nations that persist in living beyond their means.

2. Spending more than we take in does put more dollars into the economy. But that is not the equivalent of more purchasing power, or more purchases. A deep-rooted anxiety, reaching out to the entire Western World, is not about the quantity of our dollars, but their quality. Quantity without quality places in jeopardy the savings bonds, life insurance policies, bank balances, and pension benefits of our own people. Adding deficit on deficit may get the country moving again—but in the wrong direction.

3. The road to tax reduction is in expenditure reduction. Expenditure reduction requires determination and forthrightness by each of us. Lipservice and pious resolutions won't do it. Every one of us must recognize that expenditure reduction may curb or eliminate advantages that some of us, or certain groups, areas, or parties now unwarrantedly enjoy.

4. The President properly put it to the Nation when, at his inauguration, he said it is time for the people to ask: "What can we do for the Government?" There are many things we can do if we are serious about having our economy advance. For one, we must stop calling for, or condoning, the spending of money that we don't have.

5. We must realize that today's promises become tomorrow's taxes. We must therefore turn a deaf ear to rosy pictures of lavish welfare programs, and other spending that we just can't afford.

6. We must recognize that nothing impoverishes us, as a nation, more than to pay out a dollar without getting a dollar's worth in return. Featherbedding, or sloughing off of any sort, comes at a high cost to all of us.

7. We must therefore instill or restore in ourselves an interest in work, a pride in work, a sense of responsibility about work. We must stop trying to get the most and give the least. Otherwise our economy and our jobs are imperiled.

8. By the same token, we must insist that our elected representatives scrutinize every public program or activity, and measure it by dollar's worth in results and efficient administration. The same rigid analysis, support, and yardsticks must be applied to public expenditures, as is expected of business in its expenditures.

9. Furthermore, priority must be assigned to the different expenditure requests by Government, to permit postponements or eliminations as need be.

10. We must not only welcome, but also insist upon, tax reform. We must get rid of punitive and outmoded tax laws. In the process we must correct the excessive reliance on the income tax. We must bring to whatever income tax we do have, simplicity, equity, certainty, and administrability. More important, we must get away from the present situation under which taxes, rather than commonsense or good judgment, run our personal and business lives. The cost to the Nation in time and moral fabric consumed by taxes, instead of production, is too great.

These 10 commandments may keep us off the shoals of intaxication. Otherwise, we will stagger more with taxes that stagger less.

WILLIAM C. DOHERTY, AMBASSADOR TO JAMAICA

Mr. BREWSTER. It is with great pride that I report to you that a distinguished American, Mr. William C. Doherty, of Bethesda, Md., has established himself as one of our most effective ambassadors.

When President Kennedy announced his selection of Mr. Doherty as our first Ambassador to Jamaica, I think every Member of this body was confident that the choice was both brilliant and inspired.

In his capacity as president of the National Association of Letter Carriers for 21 years, Mr. Doherty became an acknowledged expert in the international labor movement. He was one of the most stalwart and articulate advocates of freedom and the democratic process in the labor world.

It gives me great pleasure to state at this time that Mr. Doherty is obviously living up to our expectations as a diplomat in a very difficult post. The current issue of Newday, the monthly magazine of the West Indies, published in Jamaica, carries a glowing tribute to Ambassador Doherty. I ask unanimous consent to have this tribute printed in the RECORD.

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

MAILMAN MAKING GOOD

He arrived on Grace Line's *Santa Rosa* November 24. Even before he presented his credentials to the Governor General 2 days later at King's House, William C. Doherty, 60, first U.S. Ambassador to Jamaica, was winning friends and influencing Jamaicans in typical Dale Carnegie fashion.

Early December he met Prime Minister Bustamante and some of his Cabinet in the Prime Minister's office. A keyhole listener reported: "They all got along like old buddies." Underscoring his earlier endorsement, Bustamante's later said: "I like Mr. Doherty. He speaks the same language that I and my Government speak." Bustamante's language is pro-Jamacian development, pro-Commonwealth, pro-American, pro-West, in that order.

Doherty's stout, well-tailored figure has since become familiar to thousands of Common Joes; no longer does anyone need to point him out to them; his common touch is paying off in rapidly mounting popularity.

His revelation that he once edited the house magazine of the National Letter Carriers Association (from whose presidency he resigned to accept the ambassadorship) has made him one with the Jamaican press boys. When the afternoon tabloid Star misinterpreted that portion of his speech to the American Men's Club in which he quite correctly said the stability of Jamaica's Govern-

ment was due in large measure to the English traditions inherited by a first-rate civil service, he generously accepted a reporter's assurance that it was a genuine mistake.

Wherever he has spoken, he has struck the same warm, inspiring note: Jamaica is a wonderful, hospitable little island on the threshold of great achievement as an independent nation, which the U.S. Government stands ready to assist in every possible way.

His concern for Jamaica's No. 1 problem, unemployment, is as deep and sincere as that of the country's leaders. Says he: "There is no shortcut solution to unemployment in any country. I think Jamaica is following the right course toward a long-term solution."

First ever. Christmas week he pulled a big surprise on the embassy staff: an all-staff party at the embassy residence on Long Lane, S.A. For the native members, it was the first such party ever; it left them glowing.

To the same venue week later he invited members of both sides of Parliament and leaders from other sections of the Jamaican community to view the now-famous film in which President Kennedy, interviewed by a top team of three TV men, gives gloves-off answers to questions on America's domestic and foreign policy on a wide range of subjects, and straightens the record on the gigantic role his country plays in bolstering or stabilizing weak economies and keeping world peace.

Quicker than he probably thought or hoped he would, the ex-mailman from the United States has earned in Jamaica a new name which signifies acceptance: "Ambassador Bill."

U.S. TRAVEL SERVICE IN JAPAN: A SMALL OFFICE DOES A BIG JOB

Mr. BARTLETT. Mr. President, recently I visited Japan as an observer, for the Senate Commerce Committee, at the International North Pacific Fisheries Commission meeting in Tokyo. While there I visited the Far East office of the U.S. Travel Service of the Department of Commerce. This visit produced two firsts: I was the first Member of the Senate to inspect this office; and this office was the first U.S. Travel Service office I have had the pleasure of visiting. My visit was pleasant and informative. I am extremely impressed with the efficient and effective job that has been done in the promotion of travel to the United States of America—both by this office in Tokyo and by the Travel Service generally.

The Travel Service office in Tokyo is a small one. It is located in the heart of the Tokyo business district. It is handsomely decorated and well equipped. There are only four employees—two local travel specialists, a general services clerk, and an American director. The director is Mr. Martin B. Pray who, in a short period of time, has done an excellent job.

The office maintains a reference library of pamphlets and materials describing tourist facilities and commercial opportunities for each of our 50 States. In the Alaska files I found over 75 pamphlets describing the attractions of our 49th State. The library is in constant use both by Japanese businessmen and by Japanese tourists planning their vacations.

The office maintains up-to-date mailing lists of each and every travel agency in Japan, Korea, Taiwan, Hong Kong, and the Philippines. Mailings on travel developments in the United States are made twice a month to this list.

Although this travel office has not been open long, I understand that more and more Japanese travel agencies are making use of its facilities. In the month of January alone, representatives of 53 travel agencies, 61 booking offices and 239 tourists visited this U.S. Travel Service office. This, of course, does not include the many mail and telephone inquiries that the office receives.

Senators may not be aware that last year 17,972 Japanese visitors toured the United States. These figures do not include the many students and Government officials who also visited our country from Japan in 1962. This is indeed an impressive number when we consider that Japan currently maintains relatively strict currency exchange controls. It is my understanding that the International Monetary Fund has suggested to the Japanese Government that these controls be relaxed in the future and it is possible that within the next 18 months there will be such a relaxation. This would undoubtedly result in a large increase of Japanese travel to the United States. I was told that one major travel agent in Tokyo has predicted that relaxed currency controls would mean, for example, that as many as 10,000 honeymooners a year would visit Hawaii alone.

Not only has travel from Japan increased since the opening of the Tokyo U.S. Travel Service office but there has been a corresponding increase in travel to the United States of America from the other areas of the Orient served by the Tokyo office. A total of 8,869 Philippine visitors visited the United States last year, an increase of 20 percent over the year before. The number of U.S. visitors from Hong Kong likewise increased by 27 percent.

These travel service offices which have been established overseas to encourage foreign visitors to come to America are anxious to receive the publications and advice of travel and convention bureaus within our own cities and States. I urge the State and local travel bureaus to take full advantage of the publicity and promotion skills available to them at the U.S. Travel Service offices throughout the world.

While I was visiting the office I was pleased to speak to several reporters Mr. Pray had called together. I told them of the tourist attractions of my State of Alaska. As a result, articles outlining the attractions of Alaska appeared in many of the local Japanese papers; articles which would never have been printed without the existence of the U.S. Travel Service. These articles are but a small part of the services rendered by the Tokyo office. Mr. President, I ask unanimous consent that a representative article entitled "Alaska Eagerly Seeking More Tourists," taken from the Shipping and Trade News, Saturday, February 9, 1963, be printed in the RECORD at this point. This article was written by an outstanding and responsible newsman, Mr. Peter T. Sum.

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

ALASKA EAGERLY SEEKING MORE TOURISTS—SENATOR LENDS HAND IN TOURISM PROMOTION

(By Peter T. Sum)

One portion of the United States, the name of which often exists, it seems, in dreams only, is offering a new aspect in tourist attractions.

The largest State in the United States, the 49th in the Union currently has in this country its own ambassador of goodwill.

The ambassador is Senator E. L. (BOB) BARTLETT, a "more than 50-year resident" of Alaska and a Democrat lawmaker on the floor of the Senate since 1959.

Senator BARTLETT's presence in this country, officially speaking, is in connection with the International Fisheries talks currently being conducted in Tokyo among the Governments of the United States, Canada, and Japan.

Senator BARTLETT is an adviser to the U.S. delegation to the talks.

The Senator, however, managed to take time out from his principal work yesterday to do some promotion for his home State.

He called on the Far East regional office of the U.S. Travel Service (USTS) where he conferred briefly with Martin B. Pray, regional director, USTS, on how to get more foreign tourists to Alaska.

While at the USTS office, Senator BARTLETT also met Jack Moss, Japan sales manager, Northwest Orient Airlines, and Bill Glaza, NWA's PR-manager.

The Senator later was introduced to members of Tokyo's English-language Press by Pray.

In what was described as an informal chitchat in the spacious reception office of USTS, the U.S. lawmaker said that while there were increases in the flow of American tourists to his State within the past few years, the outcome was still far from satisfactory in the State government's view.

He said that the State was now earnestly trying to promote tourism through the good offices of its board of tourism under the directorship of Morris Ford.

"The State is pursuing a very active campaign (for the promotion of tourism) though small in scale at the moment," the Senator expressed.

He said that funds for the campaign came from Government appropriations.

Geographically speaking, the Senator thought that the State he represented offered a new aspect in tourist travel.

"We have the wilderness," declared the Senator pointing out that the largest State in the Union had a population of only a quarter of a million.

He said that any visitor arriving at Anchorage, the main gateway to the State of Alaska, needed only a few minutes' time by car in order to be with the wilderness.

"We also have the few glaciers in the world that are accessible by road," the Senator from Alaska said.

He thought that visitors from the Far East, Japanese in particular, would enjoy touring Alaska where recently the weather was warmer and more pleasant than Tokyo.

The Senator pointed out that the State had one drawback in its attempt to have more visitors.

He said, "We have no passenger steamship services. What we had were contributed by the Canadians."

The Canadians suspended the services some time in 1954 after which, Senator BARTLETT said his government introduced a ferry service system for the conveyance of

people between the other States of the Union and Alaska.

Communications and hotel facilities within the 49th State were up to date, however.

Senator BARTLETT disclosed that Alaska alone has six regional airlines with the Consolidated Airlines well known for its package-tour services.

"The airline even packages your (fishing) catch and sends it home for you," contributed Pray.

The USTS executive thought that "for 5 years to come Alaska and Hawaii will be the two most popular destinations for Far East tourists."

Asked why he had thought so, the American travel promoter attached to the Department of Commerce replied that he had based his thoughts on two factors.

Proximity of Alaska and Hawaii.

Both Alaska and Hawaii offer the greatest variety of things to do.

However, statistics thus far showed that there had been far too few passengers landing at Alaska than other U.S. States.

Things might look better for Alaska, however, what with Pray already coining the sales slogan:

"Hawaii—presold package; Alaska—tomorrow's discovery."

And, with Northwest Orient Airlines saying that it takes only 6½ hours' nonstop scheduled flying time between Haneda Airport and Anchorage.

Thus, in a way, Alaska is not only a name in dream after all. For it is still nearer to Tokyo than traveling by train (for the time being) from this city to Osaka.

REVISION OF NASA PATENT WAIVER REGULATIONS

Mr. KEFAUVER. Mr. President, recently one of our most distinguished Representatives, Mrs. EDITH GREEN of Oregon, joined a group of Representatives and Senators who are vigorously opposing the revision of NASA patent waiver regulations. Her statement of January 28, 1963, was so forceful and enlightening that I ask unanimous consent that it be printed in the RECORD at this point.

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

STATEMENT BY MRS. GREEN OF OREGON

At the outset I want to pay tribute to the role of the National Space and Aeronautics Administration and also to its capable leadership whose efforts have garnered the attention and admiration of the American people and their allies. I have had occasion from time to time to contact James Webb, the NASA Administrator, and his staff, and have found them helpful and knowledgeable at all times.

Therefore, in the context that there can be disagreement among friends, let me aline myself with my distinguished colleagues, Senator GRUENING and Representatives HOLIFIELD and RYAN on the matter before you today—a proposed change in the NASA patent waiver regulations.

It is my view that in cases where the National Aeronautics and Space Administration sponsors and pays for research and development in fields within its statutory jurisdiction, the ensuing inventions and discoveries should be the property of the Federal Government for the benefit of the general public and not for the benefit of only a particular contractor involved.

Inventions resulting from Government contracts are the products of expenditures of public funds. These inventions are developed for a public purpose and are a means to a Government purpose, assigned by statute as refined by regulations, and take on a public character thereby. The public, the American taxpayers, has therefore paid for the invention.

The admirable and fruitful technological research conducted and financed by the Federal Government, including NASA, a constituent agency, represents a vast national resource—a resource in my view that is a counterpart to the great public domain lands of our West of the 19th century.

This, I believe, is the position of the Atomic Energy Commission. This, I suggest, should be the position of the National Aeronautics and Space Administration.

At this point I shall quote from a Department of Justice report signed by the then Attorney General, Tom Clark, and issued in 1947, I believe:

"Where patentable inventions are made in the course of performing a Government-financed contract for research and development, the public interest requires that all rights to such inventions be assigned to the Government and not left to the private ownership of the contractor. Public control will assure free and equal availability of the inventions to American industry and science; will eliminate any competitive advantage to the contractor chosen to perform the research work; will avoid undue concentration of economic power in the hands of a few large corporations; will tend to increase and diversify available research facilities within the United States to the advantage of the Government and of the national economy; and will thus strengthen our American system of free, competitive enterprise."

My recollection is that the Justice Department during the administration of General Eisenhower in effect reiterated this policy.

The policy as laid down by the Atomic Energy Commission, and endorsed by the Justice Department, it seems to me, has avoided this very hazard—the one of granting of special privileges and the establishment of preferred positions by contractors.

The Mitchell subcommittee of the House Science and Astronautics Committee reported in March of 1960, during a review of proposed patent revisions, the solicited views of Prof. Seymour Melman of Columbia University.

Professor Melman made this valid observation based on a study he had prepared for the Senate Subcommittee on Patents: "It was found that where knowledge is treated—where the production of knowledge is treated as an end in itself, the pace of inquiry moved the more rapidly, as against criteria which see the production of new knowledge from the vantage point of a special section or group or agency in society."

That doughty Frenchman, Clemenceau, once said that war is too important to be left to the generals. I suggest that the patent system is too valuable an apparatus to be left to its friends.

Now it is natural to raise the point—and it has been raised by my colleagues in the House—"you think it's something immoral in an inventor retaining the fruits of his labor—the system under which we became the greatest industrial country in the world?"

Well, Byron R. White, now an Associate Justice of the Supreme Court, replied in this fashion when Deputy Attorney General: "The individual inventor doesn't enjoy the patent rights himself in any case and they go, instead, to his employing company, which, in the situation we are describing, is the Government contractor. And, of course, the present patent system of NASA, which some are now trying to change, was established by Congress itself in the 1958 Space Act.

It seems to me the proposed waiver regulations are objectionable on a number of scores, one of which I shall mention. The initial statement of the waiver policy, which, I believe, is section 1245.103, appears to suggest that waiver, rather than Government retention as contained in title 42, United States Code, section 2457(f), is to be the rule rather than the exception. The statute requires a determination that the waiver serve the interests of the United States—Government title generally is the result of Government-financed inventions. But the proposed regulations change places emphasis on the prompt working of inventions and assumes that such prompt working will ordinarily be fostered by the private retention of exclusive rights in the inventions concerned.

The core of the NASA patent matter is section 305 of the 1958 Space Act. It requires the Federal Government to take title to NASA contractor inventions unless the Administrator determines the interests of the United States require waiving such title. Now on two occasions since passage of the 1958 act, there have been two attempts to change this provision by means of legislation. This legislation did not pass. I think that this very hearing raises the question of whether an attempt is being made to accomplish by regulations that which in legislation form failed to secure congressional approval.

I suggest that advocates of a change in patent section 305 return to the committees of the Congress for a fair and open hearing on the merits and demerits of their proposed patent change.

This seems to be a proper and equitable means of settling the matter which is of the utmost importance for the economic well-being of the American people.

AMERICAN AGRICULTURAL POLICY—SPEECH BY R. K. DOERK, INTERNATIONAL HARVESTER CO., MADISON, WIS.

Mr. MORSE. Mr. President, in the February 1963 newsletter distributed to the vocational agriculture teachers of my State, there appeared portions of a speech by Mr. R. K. Doerk, of the International Harvester Co., which was delivered at a luncheon during a convention attended by many Oregon agriculture teachers.

During the course of his remarks, Mr. Doerk pointed out many important facts which are sometimes lost sight of in debate upon agricultural policy. I think it is important to stress as he did that:

Financially, agriculture is also America's largest single industry. The value of the farm plant—$206 billion—exceeds the plant value of any other industry in this country. And gross total farm income—$40 billion annually—exceeds the income of any other industry on the American scene. By contrast, the gross income of the farm equipment industry last year was close to $2 billion, or about 5 cents per dollar of gross farm income; and it will probably be nearly the same for 1962.

It is important, too, Mr. President, for us to recall the fact that although our food supply is coming from fewer farms now as compared to the past it does not diminish the importance of our farms for the people who operate them. Actually, Mr. Doerk points out, the importance of our farm production is best gaged by the need for farm products which in turn is a function of the number of customers our farmers serve.

So, too, is Mr. Doerk's reminder that the people in agriculture in our country

are the largest single gainfully employed group in our national economy. It will be helpful to us, in my judgment, in the days ahead as we consider legislation which affects either directly or indirectly American agriculture that we remind ourselves of these points which Mr. Doerk has developed so concisely. I ask unanimous consent, Mr. President, that his article be printed at this point in my remarks.

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

IS AGRICULTURE IMPORTANT?

No one acquainted with the facts questions the great importance of American agriculture to the well-being of our Nation. With the assignment of providing the daily needs of food and fiber for more than 168 million people, agriculture must be recognized as the most important business in our country. American agriculture has no competitor, and any possible foreign competition is not foreseeable for the future. Each morning there are 6,000 more youngsters to feed on the basis of the present birthrate, and what that figure will be in 1975 or 1980 is anybody's guess. So, American agriculture's market here at home is assured, and it is growing daily.

The fact that our food supply is coming from fewer farms now as compared to the past doesn't diminish the importance of our farms or the people who operate them. Actually their importance is gaged by the need for farm products which in effect is the number of customers they must accommodate: and on this basis the importance of our farms increases daily. This, of course, is based only on our peacetime requirements of farm products and does not reflect the greatly increased load which would be placed on our farms in the event of an emergency.

Also, even though the number of farms has declined and is still continuing to decline at a lesser rate than in the past, the need for manpower in agriculture is continually increasing due to the constant growth of the agricultural service professions and industries. This includes all the specialists in animal and crop sciences, those going into farm products processing and marketing fields, and those entering the farm equipment and farm supplies business and occupations. This means that, rather than shrinking manpowerwise, American agriculture is constantly growing. This statement is borne out by the fact that of the 68 million people employed in the United States, 40 percent or 27 million are at work in the nine major areas of modern agriculture of which farming is one area. The people in agriculture are the largest single gainfully employed group in our national economy.

Financially, agriculture is also America's largest single industry. The value of the farm plant—$206 billion—exceeds the plant value of any other industry in this country. And gross total farm income—$40 billion annually—exceeds the income of any other industry on the American scene. By contrast, the gross income of the farm equipment industry last year was close to $2 billion, or about 5 cents per dollar of gross farm income; and it will probably be nearly the same for 1962.

We must recall that 95 percent of all American farms are family owned and operated enterprises. This certainly speaks well for the success of the free enterprise system in our economy. If there were no money to be made in farming, independent operators, which is what our farmers really are, would obviously not be in farming. The results also reflect favorably on the efficiency of the family-type farm because each American farmer now feeds himself and 26 others, which is phenomenal efficiency as compared to farming efficiency in other lands. In comparing our farming with Russia's farming for example, according to recently released figures, our farmers, even on a curtailed production basis, produce 60 percent more farm produce on 40 percent less cropland than Russia. This is done by only 8 percent of our population as contrasted with 40 percent of the Soviet population engaged in agriculture. Moreover, I am sure we will all admit that the total production potential of American agriculture has never really been tested. A former top official of the U.S. Government recently stated that, if we would really farm the Mississippi Valley intensively, we could feed the population of the world now and in the foreseeable future. Such potential production of farm products certainly weighs heavily in our favor as a power in relationship with the rest of the world.

So, to put it in a nutshell, the importance and value of American agriculture—(1) as a source of essential products for us and others, (2) as a factor in our overall economy, (3) as a factor of the free enterprise system, and (4) as a bulwark of strength in the free world—can be characterized as a giant of preponderant strength which no amount of doom and gloom philosophy can overcome. It is a very much alive, vital, vibrant force. So, why not conserve it and foster it, and use it to the greatest value of the American people and the peoples of the free world?

MEANING OF EUROPEAN COMMON MARKET TO AMERICAN FARMERS

Mr. MORSE. Mr. President, on a related point, I wish to direct the attention of Senators to the lead article in the January 1963 issue of the Farm Journal, entitled "Wake Up or Be Walled Out," which appeared under the byline of Mr. Claude W. Gifford, economics editor of that publication.

There are those who would not agree with Mr. Gifford's analysis but, in my judgment, he has touched upon one aspect of our policy toward the Common Market which deserves our attention since it reflects the view of a growing number of farmers in the United States. Certainly, for every Senator whose State lists agriculture among its major industries, the tariff walls being erected against agricultural products, particularly wheat, seed grains, poultry, rice, tobacco, fruits, and vegetables are a matter for concern and careful evaluation. In view of the thought-provoking character of this article and the editorial relating to it which appears in the same issue, I ask unanimous consent that both be printed at this point in my remarks.

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

WAKE UP OR BE WALLED OUT

(By Claude W. Gifford)

"You Americans had your chance. When you could have pressured the European Common Market to keep its doors open to American farm products, you did very little. Now the trade doors are closing in Europe—and farmers in the United States are going to get hurt."

That is how one of Europe's largest grain importers sums up the meaning of the European Common Market (EEC) for U.S. farmers.

This importer reflects the private opinion of many important Europeans whom I interviewed recently in a 3-week tour of the Common Market countries—the second such trip that I have made for Farm Journal in the last 2 years.

My latest mission: Find out whether Great Britain (England, Wales, Scotland, and North Ireland) is going to enter the Common Market. And size up what this and other late developments in the Common Market mean to U.S. farmers.

What I have to report from this survey made in the capitals of five European countries is not good news for American farmers—as things now stand. The consensus is that unless the United States wakes up soon and fights harder for its trade in Europe:

We'll see a shrinking market for U.S. farm goods in the part of the world where we ship two-thirds of the farm exports that we sell for dollars;

Our international monetary exchange balance, already in trouble, will suffer—since farm products account for $1 out of $4 of our exports;

Common Market countries will also be hurt in the long run.

The trouble is this: Western Europe is building one big tariff wall around the outside of the Common Market. Meantime, they're tearing down the tariff walls between the countries inside (Germany, France, Italy, Belgium, the Netherlands, and Luxembourg). They'll trade freely with one another—but buy less from the outside.

They seem more determined than ever to build an abnormally high tariff wall around the outside to keep out certain farm goods, including ours.

For us, it means that it will be harder to vault farm stuff over the wall—particularly wheat, feed grains, poultry, rice, tobacco, and fruits and vegetables. We suspected this when we printed an article last February entitled "You'll Pay for the Common Market." It looks even more likely now. And the harm doesn't stop there.

Great Britain is loosening her age-old ties with the Commonwealth and is rushing headlong into the Common Market—after centuries of standing aloof from continental Europe. Now her government is working hard to find a way to join what is intended to be a United States of Europe.

Great Britain feels that she can't stand idly by and be shut out of the rich industrial market at her front door while European nations trade freely with each other. Already the EEC economy is humming while Great Britain does little more than tread water. And unless Great Britain joins the Common Market, she will have less and less "say" about how European political matters will be decided in the future.

When Great Britain joins, this will make the Common Market an economic giant with even more people than in the United States. It will be by far the world's biggest importer of raw materials and export trader. And it will slide the world's largest single food importer—Great Britain—behind that same high Common Market tariff wall.

The countries slated for the Common Market import more than half of the world's exports of corn, butter, barley, wool, vegetable oil and fats, cheese and meat; and just under half the world's exports of eggs and tobacco.

These same countries now buy 52 percent of our U.S. exports of feed grain, 43 percent of our poultry exports, 37 percent of our oversea sales of wheat and flour, and 28 percent of our tobacco exports, all for dollars, all of which will be hurt.

As this happens, it seems that every country affected—except the United States—is fighting tooth and nail for the interest of its farmers, and is yelling bloody murder.

I was in London during the historymaking meeting of the Commonwealth Prime Ministers. They were probably presiding over the breakup of the historic British Commonwealth. The Prime Ministers from one Commonwealth country after another took turns

pounding the table demanding that their farmers be protected when Great Britain enters the Common Market.

The Commonwealth representatives explained how they now ship most of their farm stuff into Great Britain at lower tariff rates than other countries must pay (including the United States). They are deathly afraid that their trade preferences will be shut off when Great Britain joins the Common Market.

"Duties on our goods would shoot up, and the European countries behind the tariff wall would then have first call on the big British food market," one of the representatives told me.

"We are fighting for our very lives," says New Zealand's Prime Minister K. J. Holyoake, himself a farmer. "We sell 91 percent of our exported butter and 94 percent of our cheese and mutton exports to Great Britain." New Zealand has 9 million acres in pasture, and the land is little suited for other use. Their economy depends on cows and sheep. And 60 percent of all their nation's exports go to the protected market in Great Britain.

Australia is also up in arms. "A third of our trade with Great Britain would be seriously affected (wheat, beef, lamb, butter, and sugar) and another third (canned and dried fruits) would be grievously disrupted," says Australia's Deputy Prime Minister J. McEwen.

U.S. farmers need to be just as concerned. We supply nearly one-half of Great Britain's feed grain imports, more than half of her lard imports, and about one-sixth of her wheat imports.

We also have a stake in the big food exports that New Zealand, Australia, and Canada send to Great Britain. If the British outlet is closed down to them, these exports from the Commonwealth countries—mainly dairy products, mutton, beef, and fruit—will come banging on our door to get in. They've got to go somewhere.

The Commonwealth countries are asking that they be guaranteed a quota of imports into the expanded Common Market—based on what they have been selling to Great Britain. "This may be the best solution for us, too," says a U.S. official. "It would be better to have these Commonwealth exports going into the Common Market than to have them pounding on our door or competing with us in markets around the world."

Nor do our troubles stop there. I called on Karl Skytte, Minister of Agriculture for Denmark. "What will Denmark do if Great Britain joins the Common Market?" I asked.

"We will press to get in immediately," he said, explaining why: Denmark is an agricultural nation, and a good one. She not only takes care of her own food needs, but exports two-thirds of her output—mostly livestock and poultry products. She has tripled her poultry meat production in the last 5 years, and expects to produce substantially more of this and other products in the future. Four-fifths of this goes to Great Britain and the six continental Common Market countries.

Naturally, she wants behind the tariff wall; it doesn't pay to be on the outside if you want to sell food to Western Europe.

Norway also will surely press for membership when Great Britain joins. "These two countries, Denmark and Norway, probably will be accepted with little fuss or trouble," says Dr. Sicco L. Mansholt, vice president of the Common Market, and head of its agricultural affairs. Ireland probably will be taken in, too.

That, then, is the last-minute picture I brought back of what the entry of Great Britain means to U.S. farmers.

The second important part of the picture is this: There is a determined drive within the Common Market to (1) build that outside wall unreasonably high; and to (2) set abnormally high price supports on their farm production.

"This is fraught with danger for us—unless we do something about it, and soon," says one of our trade specialists.

Two years ago, I found that the Common Market was at least talking a good game of keeping its doors open to American farm products. But when the chips were down this summer—as they set their first common tariff rates for that outside wall—Common Market officials hiked several farm tariffs. And they were high before as an aftermath of recovery from World War II.

Here's what happened late this summer: They shoved up tariffs on our broilers so that the rates in West Germany, our biggest outlet, jumped from 4.8 cents a pound to 13 cents on 30-cent birds. They hiked fruit tariffs in the six by 36 percent. They pushed up duties on grain and flour—in the Netherlands the duty on flour shot up from $13 a ton to $40. And tobacco tariffs that averaged 19 percent of value in 1958 are now 28 percent.

Another important test is at what level the Common Market will place farm price supports. They are moving toward one common price level across all countries for each farm commodity supported. They'll complete this by 1970, or earlier, and if they follow the present trend they'll push these support levels higher than the present average in the six.

Why does this matter to us? Simply because (1) high supports over there mean high tariffs raised against us, and (2) more farm production over there, with less need of our imports.

Why is the Common Market going in this direction? People there say it is because they have a "small farm" problem—more than half of the farms in the six countries are 12 acres or less in size. Naturally, farm income is low.

A loud and influential cry has gone up for what appears to be an easy solution: Clamp down on food imports; raise the tariff wall; push up farm price supports; and raise more themselves.

They propose to do it with a "variable duty"—which will always be slightly more than the difference between the fluctuating world price of farm goods outside the wall, and the support price inside the wall. That way, nothing can come in at less than the effective support level.

"But this is a Frankenstein that will hurt them in the long run," says one of our officials on the scene. He explains that high supports will simply bring more retaliation from the rest of the world. It will raise food prices inside the Common Market, which in turn will raise wages, since negotiations there are based directly on the cost of living.

Higher wages will raise the cost of Common Market industrial goods and make it harder for them to export. And these countries must rely on heavy industrial exports to stay prosperous.

Moreover, higher farm supports won't help Europe's small farms much—their volume is too small to benefit greatly.

Abnormally high price supports are shadowed by the specter of overinflated land values; overmechanization that can't replace itself profitably; Government controls that will interfere with healthy adjustments of their small farms; high tax costs; and depressed prices when surpluses spill over at home and on world markets.

In short, thinking Europeans admit that the Common Market's best future does not lie in high price supports to protect an inefficient agriculture—an agriculture whose efficiency U.S. farmers can beat with one hand tied behind them.

The Common Market's future lies in its industrial efficiency, which can now match the best in the world, including ours.

"What the Common Market really needs is an overall program to reverse centuries of political, social, family, and legal customs that have led to smaller and smaller farm holdings," says one official.

Top Common Market technicians see this, but they are bucking a strong tide at home.

The economic fact of life is that the European mind is still trade restrictionist. And the political fact of life is that the European farm population that is affected by these agricultural policies is abnormally high—as high as 30 percent of the total population in some countries, compared with 9 percent here. And most of these European farms are small.

These numerous, small farmers are politically potent—even more powerful than their numbers suggest.

This is exactly why many European government officials privately hope that the United States will wake up—before it's too late—and use its vast prestige, power, and leadership to help lead the Common Market into a more reasonable farm trade program.

Some people, especially in our State Department, say that we have been putting on the pressure. After all Secretaries Benson and Freeman have both gone to Europe to talk to the Europeans about their tariffs. We have competent professional people representing our viewpoint in Brussels, the Common Market capital. In many ways, we've made our views known.

But what has been noticeably lacking, a well known and highly placed European told me, "is a consistent, day-after-day, strong, unrelenting pressure built on a studied policy that would convince the Europeans that the United States means business."

A case in point: The 18-month Geneva conference on GATT tariff negotiations was closed this year before we got satisfactory terms from the Common Market on farm matters. President Kennedy signed the document consenting to end the conference. This tipped off the astute Europeans that our Government—at the top level—wasn't as serious as we'd been talking.

A second case in point: Only after the German poultry duty skyrocketed did President Kennedy write a letter to Chancellor Adenauer protesting the move. This kind of "we're serious" pressure should have come before, not after, the duty was hiked. The letter coming as it did after the deed had been done, caught the Germans by surprise, embarrassed them, made them angry—and so far the duty hasn't been changed.

A third case in point: Our State Department is calling most of the shots in Common Market negotiations—and the State Department is so engulfed in political considerations in Europe that U.S. farm considerations are buried.

If we're going to save the day in Europe, say those close to the scene, we need a yell to go up—and a purpose to set in—in Congress, at the State Department, and at the White House; places where these have been most noticeably lacking up to now.

WILL WE FIGHT FOR U.S. FARMERS?

It's not surprising that American farmers, busy with their daily affairs, have been largely oblivious of a threat to their livelihood that now looms in Europe. That's why we shout in page 24 of this issue: "Wake Up or Be Walled Out." Walled out of a large share of your foreign market for wheat, feed grains, poultry, rice, tobacco, and some fruit and vegetables. Not only do you need to wake up, but our Government needs to, and it's up to you to do the arousing. Your Senators and Congressmen happen to be at home right now.

Farm Journal thinks this important enough that twice within the year we have sent our economics editor to Europe to see

how the Common Market is shaping up. Claude Gifford's article gives you the straight dope.

What's happened, in a nutshell, is that countries which once warred with one another are now forming a Western European Club designed to advance trade with each other, promote peace in Europe and raise their standard of living. They are abolishing tariffs against each other; later they hope to achieve actual political federation.

We've applauded all this. It's good for our friends, the Western Europeans, and it could be good for us. If Europe prospers she can be an even better customer of ours. And she can put a powerful block in the path of communism. The danger is that in their understandable zeal to help themselves they may pay scant regard to the damage they do the rest of the world—including us. They appear headed toward raising the highest tariff wall against us seen in modern times. "The Six"—France, Germany, Belgium, Holland, Italy and Luxembourg—are currently indicating that they may be pretty tough about it.

At which point, to use that old Missouri expression, this gives us every right to rise and say: "Now just a darned minute!"

We've had a good deal of regard for other countries in our trade relations—too much sometimes. The very word "trade" indicates a two-way deal. We've traded concessions at the GATT meetings (General Agreement on Tariffs and Trade). We've refrained from dumping our farm surpluses. Even in our vast giveaways we've been careful not to harm farmers of other countries. We've taken in a lot of foreign food, even when it hurt. Last year, according to USDA, we exported $5 billion worth, of which only $3½ billion was sold for a full cash price. We imported $4 billion worth, and more than half of that was in products that compete with ours. The figure does not include noncompetitive agricultural stuff such as coffee, tea and rubber.

What can we do about it? Well, any farmer who ever got into a tough dicker knows that you don't start out with threats. You try to sell, persuade and show the other fellow that the trade would be to his advantage. (In this case it actually would be. High tariffs over there would mean high food prices, higher wages and hence a poorer competitive position for the industrial goods Europe wants to export.) But it's also essential in a dicker to have a good bargaining position and let the other fellow know that you certainly intend to use it. He respects you for it.

Secretary Freeman did some of this in Paris the other day when he reminded the Europeans that the last Congress passed a law "which directs the President to take all appropriate steps * * * including retaliation if necessary." What he meant was that Europe can't sell industrial stuff here if we can't sell farm stuff there. This game can work two ways if, unhappily, that should be the way Western Europe wants it.

The question now is whether the President, the State Department and—most of all—Congress, will fight for American farmers the way every other nation fights for its farmers.

We've been pretty wishy-washy so far, but it's not too late if farmers get aroused enough. That's why we say "Wake up!"—and wake your Government up.

PROPOSED CHANGE IN MALLORY RULE

Mr. MORSE. Mr. President, this morning's Washington Post contains an editorial which I consider to be an unanswerable argument against any change in the Mallory rule. I ask unanimous consent that the 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:

NULLIFYING THE LAW

It is a misfortune that the House and Senate District Committees chose to meet in secret on Monday to consider modification of the Mallory rule. One result of the secrecy is that only garbled and unverifiable versions of what took place are available. It is reported that there is agreement among law enforcement officials and the District Commissioners that the Mallory rule should be changed. But the character of the change on which they have agreed has not been disclosed.

Let us look at what it is they propose to change. There is a law in the District of Columbia—and State laws similar to it exist everywhere else in the United States—declaring that when the police arrest someone they must take them before a judicial officer "without unnecessary delay." If such laws did not exist, policemen would themselves be the judges of their own arrests and could hold suspects in police stations for as long as they pleased.

Now, the Mallory rule is nothing more than a rule of evidence laid down by the Supreme Court of the United States holding that a confession obtained in violation of this District law may not be introduced in a Federal prosecution. The aim is simply to require the police to obey the law they are supposed to enforce and to prevent a situation in which the rights of a defendant may be violated.

Congress cannot substantially alter the Mallory rule without effectively nullifying its own earlier enactment. To nullify the Mallory rule, in short, is to invite the police to ignore an act of Congress.

Mr. MORSE. Mr. President, I also wish to emphasize that I shall strenuously oppose any change whatsoever in the Mallory rule. The Mallory rule constitutes a protection of a basic freedom in this Republic and I do not intend, under the pressure of a police department, to support any modification of it whatsoever.

I look upon the Mallory rule unanimously established by the Supreme Court as a vital protection of the American people against the ever-present danger of police abuses.

One of the reasons for our forefathers' insurrection against the British Crown was the police-state methods that the so-called law enforcement officers of the British Crown came to apply in highly tyrannical fashion.

As one who has worked for years in surveying of law-enforcement practices in the United States, I warn again that police departments must always be subjected to constant vigilance. We have learned over and over again in the history of our country that unchecked practices exercised by police departments result in the loss of personal, individual freedom.

There is no reason at all why anyone arrested for crime should not be taken forthwith to a committing magistrate for commitment or for freedom from commitment.

All the Supreme Court ruled in the Mallory case was that free Americans are entitled to be taken before a committing magistrate by arresting officers without delay.

In my judgment it would be a serious mistake in this session of Congress to seek to change the Mallory rule in any way whatsoever.

I congratulate the Washington Post for what I consider to be the unanswerable editorial published in this morning's paper.

While I am on the subject of law enforcement problems in the District of Columbia, let me also make clear that I shall strenuously oppose any attempt in the District of Columbia to authorize arrests for investigation or other unjustified purposes.

This, too, smacks of political tyranny. As I said earlier this year, it is clearly unconstitutional and the time is long past for the District Commissioners of the District of Columbia to follow and not flout the Constitution of the United States.

RECONSTRUCTION OF FEDERAL TAX SYSTEM

Mr. BYRD of Virginia. Mr. President, the subject of Federal taxation is presently before Congress, and the best information available from well-established sources is necessary to our proper consideration of all current proposals.

Tax Foundation, Inc., is an independent, nonpartisan, nonprofit organization engaged in research and study in the field of government at all levels—Federal, State, and local.

Within the past few weeks the foundation has published a study entitled "Reconstructing the Federal Tax System—A Guide to the Issues." I am privileged to have received both the original and a condensation of this study.

In order that other Members of Congress and the public may have the benefit of this study, I ask unanimous consent to have the condensation published in the RECORD.

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

RECONSTRUCTING THE FEDERAL TAX SYSTEM—A GUIDE TO THE ISSUES

The present period is probably unique in the history of Federal taxation. There have been few times when the deficiencies of the Federal tax system have been as vigorously discussed. Seldom have hopes for tax reduction run as high. Never has the discussion of tax changes ranged over so many aspects of tax and fiscal policy.

While there is widespread agreement that substantial changes need to be made in the Federal tax system, there are important differences of opinion as to the measures that should be undertaken to improve it. To many the problem is simply one of reducing rates. Others would seek merely to make certain revisions or reforms in the present methods of taxing individual incomes. Still others believe that a basic overhaul of the entire system and the adoption of new forms of Federal taxation are needed.

NEED FOR TAX REVISION

The need for tax revision is compelling. The present tax structure is in large part a legacy of the depression of the 1930's and of World War II. Since then economic conditions have changed profoundly, and the objectives of public policy have been modified. Yet there has been little adaptation of the tax system. Some of the major developments in the past three decades which

have not yet been reflected in tax laws may be summarized:

1. The economy has moved from deep depression and yet retains tax provisions adopted, not necessarily wisely, to meet depression emergencies.

2. Drastic increases in tax rates, reductions in exemptions, and other elements enacted to pay for a big war remain in effect 17 years after the end of fighting.

3. Inflation has gradually increased the burden of taxes, but more so for some people than for others; these burden increases and shifts have not yet been considered explicitly as part of tax legislation.

4. State and local taxes have gone up.

5. Defense cost remains heavy. The tax system was not designed to meet such apparently endless strains. There is small margin for meeting the added revenue needs which would grow out of a serious, but not inconceivable, turn for the worse in foreign relations.

6. The continuation of an adverse balance of payments calls for attention in Federal tax policy.

7. The desire to speed economic growth, coupled with the inevitability of tax burdens which will greatly influence growth, make up a relatively new and compelling reason for modernizing Federal taxes.

Aside from the changes in economic conditions and policy objectives which make the need for tax revision compelling, there are some overall characteristics of the Federal tax system which in themselves should be critically examined.

1. The system imposes heavy burdens. The Federal tax bill in 1963, including social insurance and highway user taxes, will amount to over $100 billion, or about one-fifth of net national product.

2. The laws and regulations, especially those taxing incomes, estate, and gifts, have become increasingly complex.

3. Yields are unstable over the cycle and rise automatically with, but at a more rapid rate than, national income.

4. The revenue system exerts a stabilizing effect on the economy but one which slows down economic expansion before full employment is reached. The major taxes, those on income, bear relatively heavily upon income which would be saved and thereby become available for investment. The tax system favors some types of investment over others, with results which may well hurt, rather than benefit, the national interest.

5. The total Federal tax burden is progressive, sharply so in the income ranges over about $10,000; the highest rates do actually apply.

6. Special provisions have unequal effects on taxpayers in about the same circumstances. Some of the results are sometimes unfair.

CRITERIA FOR TAX REVISION

Most complaints about the tax system could be removed to a large degree by reduction in tax rates. A rate cut would reduce total burdens. It would also make the special provisions, the so-called loopholes, of less practical importance. The most effective tax reform possible would be achieved by reducing tax rates.

In judging proposals for tax change, several basic principles should be considered as guides:

1. The system should bring at least enough revenue to pay expenses, except in periods of recession, without burdening business so heavily as to keep the economy below full employment. Over the long run the budget should at least be kept in balance.

2. The total tax burden ought to be distributed to meet generally accepted concepts of fairness. To do so, it will tax equally those who are similarly situated. It will vary the burdens on those whose conditions differ; the differences in tax will be related reasonably—not arbitrarily, capriciously, or maliciously—to circumstances which occasion the differences in burden.

3. The tax laws should be devised to keep at a minimum obstacles to the efficient operation of the economy.

4. Tax changes ought to seek to reduce the costs of administration and compliance.

5. Tax provisions which are least likely to impede economic growth may well be preferred.

6. Finally, as indicated previously, the changes which will do most to help achieve most objectives are cuts in high tax rates.

THE INDIVIDUAL INCOME TAX

Differences of opinion are extensive as to the character and extent of the changes in the individual income tax which would best serve the public interest. Proposed changes in the individual income tax include revising the rate and bracket structure singly or in combination with broadening or narrowing the tax base.

The rate and bracket structure can be examined from two main points of view: equity and economic effects. On both grounds there is good reason for substantial revision. The present rate structure was never justified by a reasoned calculation of the relative tax burdens at different income levels needed to meet the most widely accepted standards of equity. As with rates, there is no clearly accepted basis for arriving at a more or less ideal bracket structure. Some guides are available, however.

Steeply progressive rates cannot be justified on grounds of equity or their economic effects on the whole country. High tax rates influence the pattern of personal investment; the allocation of capital can hardly be as productive as if investment decisions were governed by economic factors alone. From a revenue standpoint, drastic cuts in the most extreme rates would cost little revenue, and substantial moderation throughout the whole progressive rate structure would involve surprisingly little revenue loss.

Growth of national income will enlarge the tax base, but the size of the base will also depend upon what Congress says shall be included. Some of the hardest choices of tax revision will be between broadening the tax base to get bigger rate reduction and meeting special needs in ways that narrow the tax base and thereby restrict the opportunities for rate reduction. Among the issues involved in considerations of modifying the tax base are: the treatment of fully excluded forms of income (social insurance benefits, the retirement income credit, imputed income, unrealized gains and losses, and income in kind); interest from State and local bonds; capital gains and losses—the difficulty of distinguishing capital gains and losses from income; issues involved in taxing the income element of capital gains; personal deductions; personal exemptions; and tax credits.

The tax base is broad in part because the personal exemption has remained fixed in dollar terms for 15 years. Many observers believe, however, that in some respects the base is too narrow. Various types of receipts are excluded from gross income; payments representing certain uses of income are deductible. Almost every exclusion and deduction is criticized on one ground or another; and each is defended. Any change should take account of the circumstances which led to the adoption of the practice and also to the commitments and adjustments which taxpayers have made over the years.

THE CORPORATION INCOME TAX

One of the most important facts about the tax on corporation earnings—the distribution of its burden—is unknown. There is uncertainty about the extent to which the tax rests finally on stockholders, or is shifted to consumers in the prices of products, or is somehow passed backward to workers or other suppliers of factors of production. This uncertainty seems to add to the tax's political appeal because few people are aware of what they may be paying.

The economic effects of the tax are also uncertain. Even when the general characteristics seem reasonably clear, their quantitative significance cannot be determined with any high degree of confidence.

The corporation tax consists of a normal tax of 30 percent on all net income plus a surtax of 22 percent on income over $25,000. Although the normal tax was scheduled to fall to 25 percent in 1954, the reduction has been postponed every year, most recently in 1962. The 52-percent rate is four times as high as in the 1920's, three times as high as in the 1930's, and significantly above the World War II rate.

The seriousness of the need for rate reduction depends partly upon what is done with the tax credit at the stockholder level. Some general rate reduction will have high priority among measures for tax revision. A reduction in the normal tax, unlike a cut in surtax, would aid all profitable corporations, but would be relatively favorable to small corporations. It would reduce the marginal tax rate that bears upon the decisionmaking of most corporations.

When tax revision is considered, dozens of problems will arise in connection with the corporate tax base—the provisions for loss carryovers, tax depreciation policy, the treatment of depletion, and provisions for travel, entertainment, and related expenses.

Some time will be required to appraise the workings of the 7-percent investment credit provided by the Revenue Act of 1962, and to compare it with other alternatives. It adds more complexities, affects some companies and types of investment more than others, and in general adds to the unwelcome combination which makes tax, rather than more basic productivity, considerations influential in investment decisions.

Many more problems involving the corporation income tax warrant congressional attention. Most are technical. Most are of significant importance to only a relatively small percentage of businesses in any one year.

In considering revision in the corporation income tax, some very fundamental issues are at stake:

1. This country has the heaviest, or almost the heaviest, of the world's taxes on corporate profits distributed to stockholders.

2. Everyone's economic interest is served by conditions which enable businesses to operate efficiently and which require them to compete vigorously.

3. The interjection of tax considerations into business decisionmaking will to some extent distort decisions—and produce results which on fundamental economic grounds are not best but which become best for the company when the tax effects are taken into account.

4. Taxes on business make difficult the acquisition of capital to use in producing larger output and producing with greater efficiency.

5. As choices about tax change are made, they should take account of the fact that taxes which add to business costs will make the balance-of-payments problem more difficult while tax changes which cut business costs will aid in competing abroad.

CONSUMPTION TAXES

Most national governments rely considerably more heavily upon consumption-based taxes than does the U.S. Federal Government.

Taxes on income are taxes governed by the value of contributions to society; taxes based on expenditure are levies governed by what a person withdraws or uses up from the stream of production. There are no clear grounds for saying which basis is to be preferred.

Traditional types of consumption taxes do not lend themselves to progression. Nevertheless, exemptions (such as food and housing) and rate differentials on various commodities may be used to get a distribution of the burden with some rough adjustment to popular concepts of "ability to pay."

Proposals for change in the present U.S. system are numerous. They include: (1) the scrapping of the selective excise system (generally except for the liquor, tobacco, highway user, and miscellaneous regulatory taxes) and its replacement with a fairly general manufacturers' excise tax applied at a uniform rate, supplemented by provision for a tax on services; (2) a Federal retail sales tax, integrated with sales tax systems of the States; and (3) a comprehensive expenditure tax. These proposals can be examined on the basis of size and stability of their revenue yield, costs of administration and compliance, equity, Federal-State fiscal relations, the tax-consciousness they create on the part of the taxpayer, and their effects on individual saving and longrun economic growth.

ESTATE AND GIFT TAXES

Consideration of both reduction in rates of the estate and gift taxes and a widening of brackets will belong in a program of broad tax revision. The present rates are those enacted during World War II. At the upper levels, they appear excessive. The steepness of the rise—to 30 percent at $100,000—seems sharper than is appropriate for a tax on capital. If rates were cut and brackets widened, reduction of the opportunities for avoidance would perhaps have greater chance of success. The problems are complex, and the chances which would best serve the public interest can be defined only after extensive study.

PAYROLL TAXES

Payroll taxes are a large and growing part of the total Federal tax bill. They include taxes for old-age and survivors insurance to which disability insurance was added in 1957; for Federal unemployment insurance; and for retirement and unemployment benefits of railroad employees.

The distribution of the total tax burden, the economic effects of the tax system, the problems and opportunities of tax revision, all require careful and explicit consideration of present and prospective payroll taxes.

These levies unquestionably use up taxpaying capacity. They do so for transfer payments, not for the purchase of services to meet public needs. The ability of an economy—and of a social system—to finance transfers is limited, though the boundaries of the limits are not clear. The payroll taxes now on the books leave no doubt that workers and employers face increasing burdens.

TAX CHANGES AND THE BUDGETARY AND ECONOMIC OUTLOOK

In attempts to reconstruct the Federal tax system, serious consideration should be given to the relationship of tax changes to the budgetary and economic outlook.

Most observers agree that tax reduction which is not matched by expenditure reduction can provide a temporary stimulus for an economy which has idle productive capacity. The shot-in-the-arm effects to be gained, however, can scarcely justify permanent tax reduction accompanied by large and persisting budgetary deficits.

What is needed for the longer run is substantial tax reduction based on the kind of tax changes which will reduce the existing depressants on capital accumulation, incentive, and efficiency and thus help the market operate with greater freedom from tax considerations. Such carefully devised tax changes would contribute to responsible budgetary policy. They are not, however, a substitute for wisdom in restraining expenditures.

PROPOSED INCREASE IN FEDERAL DEBT CEILING

Mr. BYRD of Virginia. Mr. President, a bill is now pending in the House of Representatives to continue the statutory limit on Federal debt at $308 billion through June 30, 1963.

It has been indicated in the President's budget message that another request to increase the limit again will be made before June 30.

An interesting article on this general subject, written by Henry Gemmill, appeared in the Wall Street Journal of February 27, 1963. I ask unanimous consent to have this article published in the body of the RECORD.

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

RAISING THE ROOF—ADMINISTRATION BRACES FOR REAL BATTLE OVER INCREASING FEDERAL DEBT CEILING

(By Henry Gemmill)

WASHINGTON.—How far the management of U.S. finances may be veering from ordinary logic—anyone's logic, liberal or conservative—can perhaps be indicated by this fact:

Never has any administration approached Congress for the frequent ritual of elevating the Federal debt ceiling with so much nervousness, so little confidence, as Mr. Kennedy's team exhibits at this moment.

The White House finds it wildly illogical for the Capitol to show signs of balking. Congress votes the appropriations; Congress legislates the tax rates; when the fruit of these is deficits, how can Congress decline to recognize by law the inevitability of an upsurge in Federal borrowings?

Influential conservatives on the Hill agree this complaint has some validity. "Trying to stop the debt rise by holding down the legal ceiling seems about like trying to stop an elevator by grabbing the indicator arrow," remarks one of them. Yet he does emphatically intend to attempt it—and in powerful company—as a last resort against what he considers madly illogical grand designs for deficit spending.

So the debt ceiling question, from whichever side it is examined, seems to have its roots in irrationality. Yet, after years of stirring up little more than political noise, it is rather suddenly emerging as an issue which henceforward may have to be taken seriously. Though Mr. Kennedy may well get the debt roof raised to his specifications this year, he must return to the fray in 1964.

The rise of this issue is, of course, propelled by the historic rise of the debt, yet one must glance also at the history of the debt ceiling itself, which is by no means identical.

A WARTIME INNOVATION

Though congressional authority to control Federal indebtedness stems from the Constitution, for more than a century legislators created no ceilings but instead voted carefully specified obligations for particular purposes. Two world wars sired the ceilings; in 1917 general-purpose borrowing was authorized but specific limits were set on the amount of bonds, certificates, notes and bills issued; in 1941 the permitted levels were lumped under an all-inclusive maximum.

There could be no great argument over lifting this higher and higher during World War II, and in early postwar years the ceiling seemed academic because actual debt was left drifting billions below. During that relaxed time Harry Truman could have slipped through Congress legislation abolishing the ceilings or making it infinitely elastic, some Treasury officials believe, and they could kick him for not doing it. By the time Dwight Eisenhower took charge the debt was piling high enough to make the ceiling sticky—not so much because of congressional obstinancy as because of his conservative fiscal commitments. Embarrassed by having to jack up the ceiling in 1954, Ike's administration actually encouraged two deductions, then found itself heading again to new heights. And Mr. Kennedy continued this course.

So, though it may seem longer, the economy bloc in Congress has been hitching its crusade to the debt ceiling issue for less than a decade. And most of that time many have thought they were conducting mere mock battles—little dramas useful perhaps in keeping alive the dream of black ink, but certain of failure. Not until last year—and it came as a surprise and a shock—did the administration almost suffer defeat. An $8 billion ceiling boost squeaked through the House by only 210 votes to 192; it got through the Senate Finance Committee with a 1-vote margin.

It would be unsophisticated to suppose that conservatives could block a ceiling rise this year simply by converting 10 Members of the House who voted for last year's boost. The election has filled many seats in Congress with new men; nobody knows for sure how their votes will split. More importantly, a fair share of the votes traditionally cast against ceiling hikes has come from Congressmen who are not economizers, who back nearly every spending bill that comes along. These flexible fellows vote against cranking up the ceiling only to balance their record with constituents, and will perhaps continue to do so only if confident their votes won't pile up into a majority. "Our greatest risk is that these gentlemen will miscalculate," says one administration expert.

REASONS FOR FEAR

Nevertheless, the administration has reasons to fear even fiercer opposition this year.

Before Congress now is the Kennedy tax-cut program; in combination with his spending budget it has alerted the public to prolonged planned deficits—and so far the populace doesn't seem to like it. By the end of this session, to be sure, Congress will have rewritten the tax measure and at least altered much of the tax reform which contributes to the mood of aversion; by then it is possible the public will be eager for tax cuts—deficits and all. But the debt ceiling issue will not wait until then.

On the contrary, the administration insists it must have one round of legislation passed before April; hearings before the Ways and Means Committee begin today. And then it must trot back for a second hike—a big one—before July. This seems an open invitation for Congress to pour all its current disgruntlement onto the debt ceiling issue.

In detail, the picture grows sharper. Congress passed last year's ceiling increase in precise conformity with a Presidential budget forecasting that the current fiscal year ending June 30 would end up in balance, with no net rise in debt. The calculation was that the ceiling needed to be lifted to $308 billion just to meet a mid-winter seasonal peak; in line with this Congress voted the boost but provided that the ceiling should drop to $305 billion in April, and back to $300 billion on June 25.

Now, however, the administration is forced to base its first ceiling plea to the new Congress on a flat contradiction of last year's logic. Its current case is that the roof must be lifted to $308 billion for the remainder of the fiscal year, because its own budget forecast turned out to be nonsense, because the Government has slipped into a multi-billion-dollar deficit not just seasonally but for sure.

And while they are voting on that, Congressmen will have in mind that by June they'll be voting on a far fancier hike. Naturally enough, tacticians of any administration would be unwilling to let the matter rest on such uneasy ground.

"What would happen if we simply refused to raise this ceiling on the Federal debt?" a senior Senator once inquired in committee session.

"The first thing we'd do is stop your paycheck, Senator," roared the Secretary of the Treasury.

A SPECTACULAR DRAMA

That short story dates back to Eisenhower days, but the question has gained pertinence and Kennedy men still respond in the same spirit. The consequences of a debt ceiling crackdown are described as disasters, vivid enough to scare most any Congressman—or citizen.

A spectacular drama of the near future can be—and is—written around the following set of assumptions:

Mr. Kennedy asks Congress to lift the ceiling for the fiscal year beginning July 1, to a figure in the neighborhood of $320 billion.

Congress wrangles right through June and passes no ceiling legislation whatever; thus the legal debt roof drops to its permanent level, $285 billion.

Outstanding debt, which has been riding along well above $300 billion, stands clearly in excess of the legal maximum.

Now let the cameras roll.

The first and hasty action of Treasury Secretary Douglas Dillon is to dispatch telegrams frantically requesting a halt to savings bonds sales. Thousands of telegrams, not just to banks and other places of public sale but also to all the employers who run payroll deduction plans. Mr. Dillon's lawyers have told him that any bonds that slip through after June are not Government obigations at all; they are his personal debt.

Next the weekly rollover of short-term Treasury bills is stopped. No replacements can be issued for around $2 billion of outstanding bills coming in for repayment each week. These alone are enough to suck up within 3 weeks the $5 billion or so which the Treasury usually keeps in cash. Governmental pockets are empty.

CAN'T MEET PAYROLLS

By this time the Government begins missing payments on its missiles and other purchases. It can't meet its payrolls, nor if it fires Federal workers can it give them severance pay due. Such checkwriting, which normally runs around $2 billion a week, can be done belatedly and in a trickle from any tax revenues that come in. But no payment priorities based on hardship or necessity can be set up; legal opinion holds that bills must be paid in chronological order of presentation.

Worse yet, the Treasury begins missing interest payments on existing debt, and fails to redeem bonds that mature. Securities markets fall into turmoil which makes all past panics look pale. Foreigners launch the great run on U.S. gold, and the dollar is done for.

At this point the official script ends, but one is left with the feeling that the Congressmen don't get reelected.

Though it's a lively drama, its chief defect is that it could only happen in real life by accident. Accidents can happen; Mr. Kennedy himself flew off to Mexico last year without signing a bill boosting the ceiling; for most of 1 day the U.S. debt stood at an illegal level. (It was a Sunday, no harm done.) But the fact of the matter is that conservative congressional leaders have no slightest intention of establishing a ceiling lower than outstanding debt.

The strategy they outline is entirely different. They would aim to set a ceiling high enough to avoid pushing the Government into any sudden crisis of bankruptcy—but low enough so that within a few months the administration would have to cut back some of its deficit spending, hopefully in an orderly and selective fashion. Measured in money, their objective would be to cut the ceiling below administration desires not by a magnitude of $35 billion, as in the sensational script, but by whatever smaller sum seemed safe and feasible—$1 billion, $2 billion, perhaps a bit more.

If that were the game, argue administration men, it would produce results precisely the opposite of what the congressional economy bloc desires. The Kennedy government could not—or at least would not—cut back its spending but instead would do what the Eisenhower government did when squeezed by the debt ceiling several times during the fifties. It would resort to costly gimmickry.

One gimmick employed in Eisenhowers time of pinch was to have the Federal National Mortgage Association sell directly to the public some of its own notes, which technically do not count as part of the national debt, instead of drawing funds from the Treasury. Another trick was to have the Commodity Credit Corporation raise more of its money for agricultural price-support loans by selling to the public certificates of interest, similarly outside the legal debt, instead of pulling money from the Treasury. These agencies had to offer investors a slightly higher return than would have been required through normal Treasury borrowing; by one calculation the Government ended up paying an extra $18 million in interest.

COULD DUMP MORTGAGES

Besides repeating the old tricks, the Government could try plenty of new ones. Officials suggest, for instance, that the Veterans' Administration could raise some money by dumping its foreclosed mortgages on the market—but only at discount prices, and at the risk of drying up investment money needed to sustain private construction.

Leaders of the congressional economy bloc are aware the Government could and probably would seek this escape from a ceiling squeeze; they agree that it would promote no true economy. But some of them do have an answer: "We'll just wait for the next round of ceiling legislation—and then we will nail 'em."

This double-dose technique could conceivably be applied by Congress rapidly, since the administration must seek its two ceiling boosts before July. Tactics are still fluid, however; economy leaders could aim at just one squeeze this year, and wait till 1964 for the second. At any rate, the theory is that if the administration responded to a first tight ceiling with no more than gimmicks, the legislators could insist upon an official commitment on spending cuts before setting the next ceiling. Failing to get it, they could try making the second squeeze tight enough to exhaust the possibilities of gimmickry and still force a reduction in expenditures.

Suppose—and it is a large supposition—Congress did eventually shove the administration into real spending slashes. Would legislators find themselves much happier over the outcome than officials downtown? Very likely not.

ABDICATION OF POWER

The cutbacks would be chosen by the administration, not by Congress. Legislators who have raised "merry Ned" over past administration refusals to spend appropriated money—uproar over the B–70 bomber is the classic case—could silently choke on resentment as their pet projects were maimed or buried. In the attempt to assert control over the executive branch, legislators would find they had in practice abdicated much of their present power.

It is obvious enough that a Congress really set on curbing spending could devise a half-dozen better ways of doing it. But Congress is not devising them, nor likely soon to do so. If an argument can be made for converting the debt ceiling issue from a talking point into a sharp tool of economy, it must rest on this: Risky and awkward though it may be, it is conveniently at hand.

BULGARIA—85TH ANNIVERSARY OF LIBERATION FROM THE OTTOMAN EMPIRE

Mr. HART. Mr. President, March 3 marks the 85th anniversary of the liberation of Bulgaria from the rule of the Ottoman Empire.

Today, we wish we could rejoice in the freedom of the Bulgarian people. But we cannot. Today, the brave Bulgarian people suffer under another tyranny. At the end of the Second World War the freedom of Bulgaria was smothered under a complete police state imposed by the Soviet Army.

But it is clear that the will to resist lives strongly in the hearts of all Bulgarians. They are an ancient people with a long history of struggle for freedom and independence. Today, reports emanate from Bulgaria that despite the repressions of the state, the people of Bulgaria continue to look to the West for ideas and inspiration.

It is proper that we join today with Americans of Bulgarian background in pledging that one day Bulgaria shall be free once again, and that the Bulgarian people will once again join the Western democratic nations as people of an independent nation.

KALEWALA DAY, FEBRUARY 28, FINNISH HOLIDAY

Mr. HART. Mr. President, every nation develops out of its history and its language an epic which embodies the virtues and the values and the high principles which have borne that nation through history and led it to greatness.

The national epic of Finland is the Kalewala, and the Finnish people rightfully take pride in this classic work for it reflects the character and the personality of the Finnish nation and its people. There are recorded the heroic deeds of the legendary and historical figures in the long and glorious history of the Finnish people.

For centuries these songs and verses were handed down from generation to generation by oral means. But then they were collected and set down in writing and on February 28, 1835, the first fairly complete collection of verses was published in Finland—the Kalewala.

Mr. President, ever since that happy day, February 28 has been celebrated by Finns throughout the world as a national holiday. We in Michigan have been fortunate that many Finnish people chose our State when they came to the United States. Michigan's history and institutions show clearly the strength, independence, and courage of these people and their descendants.

I join my Finnish friends today in celebrating the 128th anniversary of the publication of Kalewala.

ESTONIAN INDEPENDENCE DAY—FEBRUARY 24

Mr. HART. Mr. President, 45 years ago the ancient nation of Estonia gained its independence, established a democratic form of government and thrived in peace until the Second World War.

Today, Estonia does not exist as an independent nation. She has been brutally incorporated against her will into the Soviet empire. All attempts to preserve the Estonian heritage are suppressed by agents of the Kremlin.

However, today the spirit of the Estonian people remains strong. Hope and determination lives strongly in the hearts of the Estonian people that one day Estonia will again be free and independent.

It is fitting that we here once again express the continuing regard of America for the aspirations of the Estonian people, and that we join with all persons of Estonian background in renewing our pledge that all shall be done to assure that Estonia will one day walk in freedom.

PUBLIC SERVICE BY RADIO STATIONS

Mr. BREWSTER. Mr. President, I am confident that there are many radio stations throughout the country that accept their responsibility, under their license, "to be of public service." There are some that take this pledge with a sense of positive dedication far beyond legal requirement. This is the case with station WAQE whose facilities are located in my home county in Maryland.

Mr. Charles S. Gerber, station manager of WAQE, has chosen Howard Cottage at the Maryland Training School for Boys as the station's community public service project for 1963.

Every Monday night, the staff and management of WAQE, on a voluntary basis, visits with the boys at Howard Cottage.

WAQE hopes to bring to public attention the fine work that Maryland Training School is doing and the desperate need for private citizens to take an interest in these boys, who have been judged juvenile delinquents.

The need for help is not only while they are at the training school, but after their period of training has been served. To help arouse public interest, a series of programs, presenting Maryland Training School will be broadcast beginning January 26, through June 29. These programs will be heard at 12:30 p.m., every Saturday.

Today in Maryland, one out of every five boys comes in contact with the police. Therefore, it is imperative that the citizenry of our State become alerted to the problems and how each individual can play a part in helping to stamp out juvenile delinquency and to help the delinquent. By working with the boys, it is hoped that the staff of WAQE will be more qualified to perform the public service so desperately needed to help these boys.

In addition to the Monday night visits, plans are being made to take the boys bowling, to sports events and other special entertainment.

It is with great pride that I rise today to bring this fine example of public service to the attention of my colleagues in the Senate.

SIOUX FALLS EDITOR SUPPORTS PRESIDENT'S CUBA POLICY

Mr. McGOVERN. Mr. President, at a time when some Americans appear to be urging the President to follow an extreme policy in Cuba that might involve us unnecessarily in a war, it is encouraging to note a thoughtful editorial in the Sioux Falls, S. Dak., Argus-Leader supporting the wise policy of restraint now being pursued by the President.

There are those who would shoot first and learn the facts later. The President has very wisely resisted such temptations.

I commend to my colleagues an editorial from the Argus-Leader of Saturday, February 23, which I ask unanimous consent to have printed at this point in the RECORD.

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

SENSIBLE RESPONSE BY THE PRESIDENT

President John K. Kennedy has issued shoot-if-necessary orders against any plane or other sorties from Red Cuba.

This followed the news that two Mig fighter planes from Cuba fired rockets in a flight over a U.S. shrimpboat in the Florida Straits earlier this week.

The President refrained, pending further information, from pinning any blame on the Soviet Government for the attack on the *Ala.* The small craft and its two crewmen were not hit.

"These planes came from Cuba and flew under a Cuban flag and, therefore, unless the Soviet Union should claim they were flying them, we would hold the Cubans responsible," the President said.

The President said that he had given orders "to insure that action will be taken against any vessel or aircraft which executes an attack against a vessel or aircraft of the United States over international waters in the Caribbean."

The President declined to proclaim a policy of hot pursuit, as advocated by some Members of Congress. Under this policy, attacking planes or ships would be pursued back to their Cuban bases if necessary to destroy them.

Details of the United States reaction might well wait, the President said, until it is seen whether the attack on the shrimpboat was an isolated incident, the result of a pilot's decision, or was the deliberate decision by the Cuban Government which forecasts other attacks.

Meantime, it looks like the Russians are heeding the President's warnings and American public opinion, in their move to take some more of their troops out of Cuba. Patience is indicated in this situation, rather than a trigger-happy response.

We think President Kennedy has taken a sensible course. He has the responsibility.

Mr. McGOVERN. Mr. President, I also ask unanimous consent to have printed in the RECORD yesterday's Washington Post report of a recent Gallup poll demonstrating the overwhelming opposition of the American people to sending our Armed Forces into war with Cuba under present circumstances.

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

OPPOSITION TO INVASION OF CUBA RISES IN UNITED STATES

PRINCETON, N.J., February 26.—Although they see Premier Fidel Castro's Cuba as a serious threat to world peace, the American people at this point are opposed to a U.S. invasion of the island.

Americans, in fact, are slightly less invasion-minded about Cuba today than they were last fall before President Kennedy's decision to blockade the Communist outpost in the Caribbean.

Some persons point out, moreover, that the results of the quarantine action are a factor in their current belief that the Cuba dilemma can be solved without a hot war.

With the controversy over Cuba continuing, the public was asked a question last put to them shortly before the blockade decision last October:

"Some people say that the United States should send our Armed Forces into Cuba to help overthrow Castro. Do you agree or disagree?"

The vote today and last fall:

	Percent
Today:	
Agree	20
Disagree	64
No opinion	16
October 1962:	
Agree	24
Disagree	63
No opinion	13

To further determine just how real a danger the people feel Cuba constitutes today, the public was then asked:

"Do you think the Cuba situation is a serious threat to world peace at this time, or not?"

The vote:	Percent
Yes, is	59
No, is not	31
No opinion	10

Despite the partisan controversy involved in the overall Cuba question, virtually identical majorities of Republicans, Democrats and Independents indicate their opposition to a U.S. invasion of Cuba at this time.

On the question of Cuba as a threat to world peace, however, Republican voters display more concern than either Democrats or Independents.

The vote on this question by party preferences:

	Percent
Republicans:	
Yes, is	65
No, is not	27
No opinion	8
Democrats:	
Yes, is	59
No, is not	31
No opinion	10
Independents:	
Yes, is	57
No, is not	35
No opinion	8

NEWSPAPER ADVERTISING IN AMERICAN LIFE—ADDRESS BY PALMER HOYT

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by Mr. Palmer Hoyt to the Advertising Federation of America and the Advertising Association of the West. His subject was "Newspaper Advertising in American Life," and the address was delivered on February 6, 1963. In the address, Mr. Hoyt, the editor of the Denver Post,

pointed out very graphically the relationship between advertising and the free news media in this country, and showed how important the free press is to this country. His address is an extremely thoughtful and analytical one, and I recommend it very much to all Senators.

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

NEWSPAPER ADVERTISING IN AMERICAN LIFE

Mr. Chairman and distinguished guests, without shocking the eggheads and egg peddlers too much, I would today like to stress a simple truth.

That truth is this: The much maligned institution of American advertising is really a solid cornerstone of our freedom.

An abundant flow of advertising has a special relationship to our free way of life for two very important reasons:

First, and I believe foremost, it is the financial warranty of free electronic communication, and it is the guarantee of our free press.

Second, advertising is an active partner in our burgeoning economy and a vital component of our free enterprise system, without which system we could not enjoy freedom as we know it.

But even if advertising did not have a special economic role as the mover of goods and services, the fact that advertising is the basic guarantee of a free press would make it worthy of our protection and preservation.

I do not, of course, mean to argue that all advertising is beyond reproach, but I do defend it overall as a necessity because of its essential relations to a free press.

As you are aware, by the term "free press", I mean a press that is not controlled by government, party, or faction. This type of independent press has been emphasized as a necessity by our greatest political thinkers from the earliest days of our country.

This principle is guaranteed by the first amendment to the Constitution, which says: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

The first amendment is in itself a remarkable document. Particularly is the phrase "or abridging the freedom of the press" a strong and exact statement.

It is hard to imagine a free people without a free press. It is hard to imagine because it simply could not be.

Thomas Jefferson recognized the vital importance of newspapers when he said in a letter to Col. Edward Carrington on January 16, 1787: "The basis of our Government being the opinion of the people, the very first object should be to keep that right; and were it left for me to decide whether we should have a Government without newspapers, or the newspapers without government, I should not hesitate a moment to prefer the latter."

To this distinguished audience my remarks up to this point may sound like copybook maxims.

On the subject of maxims and of hearing from a speaker only what you expect to hear, I recall a speech by James Conzelman, one of the all-time greats of American football, later a fine coach, and now a distinguished advertising man.

Several years ago, I introduced Jim to a Rotary Club audience in Denver, most of them older and serious minded. I might say that James Conzelman, in addition to being a great athlete, was also a fine actor. Jim sat beside me at the head table and did a pretty fair job of looking dumb so that he could score a touchdown with his opening remarks.

When I introduced him, I said, "Jim was a great football player and a great coach, but whether or not he can make a speech, I wouldn't know."

Jim rose to his feet, ran his fingers through his shock of white hair and to an audience prepared for the worst, started as follows:

"You men are rich. I can see that. But let me tell you. Money isn't everything. Money won't buy you friends. Money won't buy you love. Money won't buy you position."

At this point, Jim paused. His audience by now was sure they were going to listen to a real do-gooder. Boredom was on every face.

And then Jim Conzelman, after a long pause, said: "Of course, I was talking about Confederate money."

Like Jim Conzelman and his audience, I know you men are rich. If not in money, then in wisdom and experience. So I want to urge that I am not talking about Confederate money.

The late, great Mr. Justice Oliver Wendell Holmes often observed that it was more than passing strange that so many brilliant minds overlook the obvious. In the chance that the Justice may have been right, I am here stressing the obvious. The obvious that brilliant minds sometimes overlook.

No. 1: It is obvious the continuation of a free press is vital to our continuation as a free nation. We must have a source independent of government, party, and faction, to provide people with the information they need to guide those governments, parties, and factions.

No. 2: It is obvious that the press can only remain free, and keep us free, if it is not subsidized by any special interest.

No. 3: It is obvious that advertising has an all-important role in guaranteeing this free and unsubsidized press. Advertising keeps the press financially strong with income from a number of sources, so that no one source becomes dominant. And often we forget that advertising is in itself genuine news of business and industry. As economic news, it is a vital attraction to gain the readership that keeps papers alive.

No. 4: It is obvious that there are only three ways to finance a newspaper, a very expensive product: (1) Sale of the product, which we call circulation; (2) sale of advertising; (3) direct subsidy, from somewhere.

The history of the American press shows that newspapers depending on circulation income alone can't succeed. The relatively brief life of PM is a good example. PM was born in response to a charge that advertisers exercise an undue influence on the news columns and editorial opinions. So PM did not accept advertising.

But PM failed to make its point. It built up its own prejudices and was far less objective than most newspapers operating on the basis of both advertising and circulation support. And it just couldn't get enough income from circulation alone to stay in business.

Only through a combination of circulation and advertising revenues can newspapers operate and remain truly free. Only truly free newspapers can take an independent view of government. And only free newspapers can provide the people with objective news.

Let me digress to say again that I do not maintain that all newspapers are perfect, that all advertising is exceptional, that news is never slanted, or that advertising is never misleading. Of course there are imperfections but not, I truly believe, so great as to cast in doubt the general principles about which we are talking.

The general principle of a press maintained as an independent force in our society by a combination of advertising and circulation revenue actually antedates our free Government by somewhat more than 50 years.

The tradition of the free press dates back at least to 1737 when the John Peter Zenger trial established the legal protections under which newspapers can criticize political leaders or movements without facing charges of seditious libel.

Other basic protections for a free press were developing throughout the colonial era. So the press was actually a fairly well-grown midwife attending the birth of the Constitution in 1787 and the formalization of our present style of Government on March 4, 1789.

On through the years the free press and free Government developed together into the special relationship we have today. And repeatedly the courts have reemphasized the vital necessity to our way of life of keeping newspapers strong and independent.

There are today, as there have always been, a number of important criticisms of this special status of the press. I would like to note briefly some of these challenges, and since several of them are bromides, perhaps we can put them back in their bottles, at least temporarily.

First, there is the charge that our press is not free.

Answer: We do have a free press in the United States, the freest in the world.

Our press is as free as the men who operate it want it to be. Can you imagine any news story or opinion, decency considered, that couldn't, or wouldn't be published in the United States somewhere in the range of publications between the Daily Worker and the John Birch Society? Maybe you can imagine this, but I can't.

Second, there is a charge that big advertisers control the newspapers.

Answer: As one who has operated at policy level at three newspapers, I have yet to know of a single advertiser saying, "Kill it or else," to any news story or editorial. As a matter of fact, it has been my experience that big advertisers take far too little interest in the news of the day, or the comment thereon.

Actually, the greater number of advertisers a paper has the less chance there is of any one being able to rule the press, as the critics would have it.

Third, there is another bromide that big business and big government are in conspiracy to throttle news sources and cover up vital facts.

Answer: There are men, I'm sure, in both big business and big government, who would like to do just that. But so far, there is nothing so hidden but that a few good city editors and reporters cannot uncover it, if they really go to work.

Recently, an able reporter, Clark Mollenhoff, wrote a book called "Washington Cover Up," about official attempts at concealment. I would, generally speaking, accept the facts presented in the book but point out that this type of coverup has gone on ever since George Washington moved to this great Capital on the Potomac.

But I would also like to say that as long as there are reporters like Mollenhoff, we are still free.

The free press does face many dangerous threats—rising costs; unwise mergers; a destructive pattern of unionism; and insensitive management.

But advertiser domination is not one of these threats, in fact, advertising support enables the free press to meet the real threats. In 1962, advertisers spent $12 billion in all media not only as a sales and promotion fund for our gross national product, but also as the basic support of our free communications system.

We can gain some understanding of where we would be without this by noting the economic and social impact of newspaper

strikes. As I speak here the great cities of New York and Cleveland are without newspapers, their people without a great deal of vital information that they need.

Does it matter? Yes, it matters. For example, it matters economically. As only one example, it is estimated by the Federal Reserve Board that department store sales in Newark, with newspapers, are running 10 percent better than the corresponding figures in neighboring New York City. And in the suburban metropolitan area where the press is flourishing, department store sales figures are 18 percent better than in the big city.

There is no total price tab on the economic loss this lack of newspapers means in New York, but we know that the 116-day strike in Minneapolis and St. Paul cost that area $58 million in lost consumer spending.

And it matters more than in economics. Lack of newspapers also represents a great social loss. Think of the hundreds of different categories of information that only a newspaper provides—local news in detail; classified advertisments that do everything from selling the home to bringing back the lost dog; theater, movie, sports, and book news that guides recreation—indeed the list is endless and need not be belabored.

I would like to quote James S. Fish, vice president and director of advertising of General Mills at the end of the recent strike in Minneapolis. Mr. Fish, "Apparently nothing is able to replace fully the daily newspapers. Not just as a disseminator of news and the carrier of advertising, but as a dynamic force in the well-being of our community."

If you want to use a Madison Avenue term and talk about impact, what is the real impact of newspapers?

There is no regular, continuous impact in the world like the impact of 59 million newspapers hitting the streets of America every weekday.

Or of 48 million Sunday newspapers banging on front porches the country over every Sunday morning.

Or of 23 million copies of weekly newspapers that keep their reads up to date on home affairs. This is real grassroots impact.

When I was younger and a little more naive than now, I used to advocate making the guaranteed free flow of news between nations a part of all treaties made by the United States.

I still believe that such a course would help bring peace to this troubled world; because the truthful, unprejudiced news of the day is a powerful prophylactic.

For example, there are many views of what is or will be happening in Russia.

Will there be a revolution against imperial communistic tyranny?

I would say there will be no revolution in our sense of the word.

But as the Russian people become more informed, there will be changes. In other words, Russia will change in exact ratio to the flow of factual news to and in Russia.

Because the greatest enemy that communism has or can have, is the free flow of information, and the greatest ally that any kind of totalitarianism has is to have news as its servile handmaiden.

And free flowing news implies abundant advertising.

In summary then, I hope I have suggested at least some of the reasons why advertising is much more than a nonessential source of materialism. That's the image some of its detractors try to create.

Instead, advertising has a vital role in our way of life—as the necessary news of goods and services which lubricates our whole economic system. And, even more importantly, as the basic revenue source which allows a wide range of electronic communication and an independent press.

These are truths that need to be looked at again—they are the obvious facts which are often overlooked—they are not in the words of Jim Conzelman, "Confederate money."

If these truths be copybook maxims, let me paraphrase Patrick Henry and urge you to make the most of them.

The PRESIDING OFFICER. If there is no further morning business, morning business is concluded.

SAFEGUARDS TO BE OBSERVED IN DISARMAMENT NEGOTIATIONS

Mr. CURTIS. Mr. President, for many months I have been disturbed over the apparent attitude of our Government in reference to disarmament. Today I want to talk about that subject in some detail. My remarks relate to Senate Concurrent Resolution 21, submitted by me, which can be found in the CONGRESSIONAL RECORD for February 20, 1963, page 2604, column 3.

The information that caused me to submit this resolution, and which is embodied in what I will say today, comes from public sources that were published in 1962 or before. My remarks are not related to any information imparted to a senatorial committee, because I have had no opportunity to receive such information.

I have submitted Senate Concurrent Resolution 21 to provide a bare minimum of congressional guidance to our negotiators now meeting with the Soviets to discuss arms control and disarmament. This guidance is not only necessary, but also mandatory, in view of the growing concern of the American people in this vital and complex subject.

This concern has been aroused by several developments in recent weeks:

First. A statement by Secretary of Defense Robert McNamara in which he expresses the belief that we can deal more realistically with the Soviet Union if that nation were soon to develop an invulnerable second-strike missile force.

Second. Acceptance of this position by the State Department in a speech by an arms control adviser at Ann Arbor, Mich.

Third. A study released by the Arms Control and Disarmament Agency which states, in effect, that the United States should consider seriously dropping its demand for on-the-spot inspection to insure compliance with any arms control or disarmament agreements.

Coincident with these developments has been an extremely grave new pronouncement of Soviet policy from Moscow—little read and little understood.

This publication is called Voyennaya Strategiya, which I understand is interpreted to mean "military strategy." It was prepared under the direction of Marshal Sokolorsky, by 14 Soviet generals, and published last year. For the first time since 1926 the Soviet Union has formally changed its strategic concept. The new strategy, as explained in the Soviet document, involves total war, total destruction, and total nuclear annihilation. Of course, this is their ultimate strategy and cannot succeed unless or until the Soviet Union acquires the kind of nuclear superiority over the free world which the United States now holds over the Communists.

As I said, these developments are in themselves grave and leave with us serious implications. Perhaps the most serious of all implications is the possibility that these statements and developments can or will be misinterpreted at home, among our allies or, most importantly, by a potential enemy.

That this new approach of American policy is subject to misinterpretation is conceded by Mr. McNamara himself in his now-famous interview with Stewart Alsop in the Saturday Evening Post of December 1, 1962.

I would like to quote in full at this point the paragraph from the interview which has caused so much concern. That they are important to the subject at hand can best be demonstrated by the words themselves. In that interview, Mr. McNamara was asked if it were not wise to assume that the time will come when the other side would have a sure second-strike capability. His response:

> Yes, and that raises an interesting point. I believe myself that a counterforce strategy is most likely to apply in circumstances in which both sides have the capability of surviving a first strike and retaliating selectively. This is a highly unpredictable business, of course. But today, following a surprise attack on us, we would still have the power to respond with overwhelming force, and they would not then have the capability of a further strike. In this situation, given the highly irrational act of an attempted first strike against us, such a strike seems most likely to take the form of an all-out attack on both military targets and population centers. This is why a nuclear exchange confined to military targets seems more possible, not less, when both sides have a sure second-strike capability. Then you might have a more stable "balance of terror." This may seem a rather subtle point, but from where I'm sitting it seems a point worth thinking about.

As Secretary McNamara says, this does, indeed, seem to be a subtle point, and it most certainly is a point worth careful examination. It is obviously open to interpretation, and it has been variously interpreted by various people. One obvious connotation was placed on this "subtle" point by the State Department. In a speech on December 19, just a few weeks after the McNamara interview appeared in print, Robert E. Matteson, an adviser to the Arms Control and Disarmament Agency—a branch of the State Department—gave what must be considered the official departmental view of the McNamara interview.

I might point out here that all such speeches are carefully screened by the Department and cannot be made without highest possible clearance from the Department.

In his speech, Mr. Matteson had this to say:

> It is even possible as Secretary McNamara intimated in the Alsop interview in the Saturday Evening Post that it would be a good thing if the Soviets were to achieve soon an invulnerable second-strike capability. My own feeling is that it might enhance the prospects of an early arms control-disarmament agreement.

If this is the official view of a high-ranking State Department official, what then can the American people think?

Following by less than a month came a report from the Woods Hole Summer

Study, sponsored by the Arms Control and Disarmament Agency, on the problems of verification and response. This comparatively new study was released a short time ago. It was written by a group of scientific and legal experts who gathered at Woods Hole, Mass., last summer to discuss the many facets of the problem.

They come to the conclusion that inspection is not really the answer but emphasize, rather, what they term "verification." They even admit in their study that complete verification is not possible nor, they say, is it desirable in some instances. They draw the rather unique conclusion that some violations of disarmament agreements could go by unnoticed and not change the situation very radically.

Again, this study is subject to interpretation. It contains many sophisticated subtleties which may escape the average person here and abroad. One interpretation, that placed upon the study by the press, is that the Arms Control and Disarmament Agency has abandoned or is in the process of abandoning the requirement of on-the-spot inspection as a prerequisite for any arms control or disarmament agreement.

This interpretation is that inspection can be replaced by verification. As any knowledgeable nuclear physicist will tell one, there is no little box, whether black, white, pink, or orange, that can possibly give adequate verification of the kind of violation about which we are most concerned. The Soviets know that we have an enormous stockpile of nuclear weapons. We know that they have a large stockpile of such weapons—between us, enough to destroy all life on this planet.

The problem is not so much one of nuclear weapons or nuclear explosions as such, but is rather that of delivery vehicles. No matter how many little boxes were spread over the face of the earth there would be no method of detecting the production in either the United States or the Soviet Union of the vehicles with which to deposit nuclear terror anywhere in the world.

There has been a proposal at Geneva that a so-called neutral inspection team be created with the right of entry into both the Soviet Union and the United States. This cannot be considered seriously by either party. In a struggle between slavery and freedom there can be no real neutrals. I do not think for a moment that the American people can or should trust their security, their future and their freedom in the hands of so-called neutrals like Nkrumah or Sukarno.

Because not only American freedom but civilization itself is at stake in these perilous times, we cannot afford any hint or tinge of uncertainty in the American position on disarmament and arms control. We cannot permit an interpretation of official statements which might in the future cause a potential enemy—or even one of our friends—to make that one awful mistake which would plunge the world inevitably on its course of complete and terrible destruction.

For this reason and because of the uncertainties which have been created in the minds of many persons—both here and in foreign lands—I have drafted a concurrent resolution. This resolution has three principles:

First. All arms control or disarmament agreements will provide for full and free inspection, and Members of the Congress of the United States shall be included on the inspection teams.

Second. The President will keep the appropriate congressional committee chairman advised at all times of any measures he may take which would affect the arms ratio between East and West.

Third. There shall be no informal or tacit arrangements between heads of state. All agreements with respect to arms control and disarmament will be in treaty form, subject to the constitutional right of the American people, speaking through the U.S. Senate, to approve or reject.

I believe that all of us are concerned about the workability of any treaty on arms control or disarmament, whether it involves a ban of nuclear testing or a destruction of germ warfare facilities. There is only one way in which this kind of arrangement can function properly and that is through a thoroughly grounded confidence on the part of each party that he knows all there is to know about the arms production and delivery capability of the other.

Each party must be confident that, when he lays down his arms, when he abandons any weapon or weapons system, he is not opening himself to utter ruin and chaos because of some unseen or unheralded weapons development on the other side.

Only through constant and complete inspection can this confidence be gained.

In this connection, it would be wise, I feel, that Members of each House of Congress be included on any team created to carry out inspection. Members of the Armed Services Committees or the Joint Atomic Energy Committee would, I think, be best fitted for this assignment.

May I say here that there are veteran members of these committees, and perhaps other committees, who have served in that capacity through several administrations. They are experts in these matters.

At a time when public pronouncements have become suspect due to the manipulation of news, the confidence of the Congress and the American people can be maintained only through complete and objective reporting. Such reporting can best be done by the people's representatives in the legislative branch working as observers on inspection teams.

As to the second point in the operative part of my resolution, I feel it is most essential that the President be advised of Congress' desire that no unilateral measures be taken by the President in his capacity as Commander in Chief of the Armed Forces or otherwise that might alter the existing arms ratio between the United States and its allies on the one side and the Soviet Union and its allies on the other. For this reason, the resolution provides that the President, prior to taking such measures, shall advise the appropriate congressional committee chairmen of any steps he contemplates with respect to the size, composition, and disposition of the Armed Forces and particularly their weapons systems.

I bring up the third point in this resolution—Senate ratification of any agreement—for two reasons:

First. The all too frequent references in current documents to such matters as "tacit arrangements" and "informal agreements" in referring to potential arms control and disarmament proposals.

Second. A matter such as this is of such vital importance to the world that it must be clearly understood that not only our Executive but also the representatives of all our people support any disarmament program. Only through a formally approved treaty can such an assurance be given to the world.

We have seen, during the course of recent history, that informal arrangements, regardless of how seriously taken they may be, cannot long endure. As you recall, there was an informal arrangement not too long ago in which the Soviet Union and the United States agreed to ban further nuclear testing. At will, the Soviets violated that arrangement. They did so knowing that our anguished outcry would impress nobody since no treaty was involved.

These informal or tacit arrangements just cannot work.

It is also my feeling that the American people and the people of the world would rest much easier if they knew that any arms control program or disarmament arrangements had the full force and being of international law, solidly supported by all institutions of government. Only through this kind of assurance can we hope to gain and expand the kind of confidence in such an instrument which is inherently necessary for it to bear fruit.

Mr. President, I ask unanimous consent that the resolution, which is already at the desk, be held until Monday of next week for additional cosponsors. I wish to express my gratitude to the many Senators who have already expressed their willingness to cosponsor this legislation.

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

Mr. CURTIS. I request unanimous consent, Mr. President, to insert in the RECORD at the conclusion of my remarks an article by Charles Burton Marshall, member of the State Department's policy planning staff from 1950 to 1953 and presently a research associate of the Washington Center for Foreign Policy Research of the Johns Hopkins University. Mr. Marshall clarifies the meaning of some of the jargon being bandied about in the discussion of arms control and disarmament, and he points up some of the obstacles to meaningful arrangements in this area.

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

[From the New Republic, Nov. 24, 1962]

HIDE AND SEEK—SOME DOUR THOUGHTS ON INSPECTION

(By Charles Burton Marshall)

Some key terms relevant to arms control and disarmament—a field of endeavor overburdened with ambiguities—have been mauled about by Government spokesmen, news analysts and editorial writers since the onset of our troubles over missiles in Cuba. I feel prompted to offer, on behalf of rigor, some simple definitions. I begin with the generic term, "verification."

One kind of verification can be carried out without the acquiescence or cooperation of the Government subject to check. Certain information is explicit in, or inferable from, open sources within the country, from covert operations within or over the domain concerned, and from observations from adjacent territory. An appropriate term for this kind of verification is "monitoring."

A second kind of verification requires grant of access by a government whose actions or capabilities are assessed. The operations divide into two classes.

One sort of access is that conceded by a government for a specific limited occasion. Outside authority is permitted to enter an area to confirm that the inviting government has done what it claims to have done (e.g., dismantled a missile pad). The visitors have no warrant to ferret out unreported matters. In effect the government is host, the outside authority is guest. An appropriate term here is "authentication."

A contrasting sort of access is exercised when a government vests an outside authority with power not merely to check matters admitted by the subject government but also and essentially to determine, within limits of relevance, what may have been left undone or done covertly. The correct term here is inspection. Such is its sense in official parlance generally—in banking, postal operations, military outfits, and so on. An inspector comes around, welcome or not, with warrant to poke and to raise issues—not merely to nod through a prearranged checklist.

The general concept, verification, is what was alluded to in Chairman Khrushchev's offer to take his missiles out of Cuba—concurred in at once by President Kennedy, subject to a proviso for continuing U.S. monitoring in an interim. U.S. spokesmen immediately began calling the prospective operation inspection. But by any feat of imagination, the essential attributes of inspection were lacking. Nevertheless U.S. officials, having espoused inspection through drudging years of talks on test bans and arms limitation, appeared anxious to nudge arangements toward at least nominal or symbolic conformity to this standard. With equal alertness to record and precedent, the Soviets set out to attribute an invitational and pro forma character to whatever, if anything, had been agreed to.

For an outsider, an analysis of the ensuing exercise in tactical diplomacy revolving around these opposed themes is highly difficult—much like trying to comprehend a merry-go-round by glimpsing it in motion through a fence crack, or a score of counterpoint by hearing gust-borne sounds of a distant orchestra. Who and what prompted U Thant to the pilgrimage that resulted in establishing a U.N. absence in Havana? On the basis of what estimates did the U.S.S.R. propose and did the United States hasten to accept the impeccably humanitarian International Committee of the Red Cross as a verifying agent on matters of war technology outside its familiarity? Were Castro's dissents at the instance, by leave, or in defiance of Moscow? Perhaps the explanations of these and many other mysteries will never be known.

One matter seems fairly evident, however: Both sides have been doing their cagey utmost to avoid precedents and to minimize compromising basic positions on verification. As an augury for the 18-nation disarmament conference scheduled to resume soon in Geneva, this maneuvering is probably much more significant than the fervent pieties about disarmament exchanged between Chairman Khrushchev and President Kennedy at the peak of the crisis.

Here, at risk of elaborating what is evident, I want to emphasize that the main parties to negotiation at Geneva are the governing groups in the United States and the U.S.S.R. Their views do not necessarily coincide—and in some aspects are not at all likely to coincide—with the views found in literature on arms control. This literature is written by psychiatrists and sociologists intent upon resolving policy conflicts by dismissing them as aberrant, by physicists disposed to evaluate an adversary government's aims from sentimentalities uttered over cocktails at a Pugwash meeting, by psychologists seeking clues to the weapons riddle by analyzing chitchat of train attendants and of concierges met during a Russian tour, and by various other sorts of imaginative but nonresponsible authors.

The governing groups in the United States and the U.S.S.R. are aware of the chances for calamity. A shared desire to get armaments under control may be assumed without arguing, for on any other premise the negotiations consist of subterfuge and fall beyond rational analysis. Arms control and disarmament, however, are not absolute and discrete aims. They overlap and interact with a great range of other considerations. The rub is—or at least has been up to now—with respect to these other matters.

A bargain, if and when arrived at, must be a political one, in the broadest sense. Each party is under constraint to insure terms which will preserve the order of values basic to its polity. As a test of their providence, the terms must have convincing marks of being provident—convincing to constituents and allies whose concurrence is necessary as a condition to giving the terms effect. While still in position to give or to withhold consent, each party is constrained to seek terms consistent with other purposes reflecting its relevant order of values.

This gets close to the heart of the inspection issue. Each side—with reason—attributes to the other ultimate desires and preferences incompatible with its own. Each side—again with cause—suspects that the other, given opportunity, would bring its more remote desires and preferences into its pattern of immediate actions. This reciprocal anxiety is nothing to puzzle about. Authentic spokesmen for the U.S.S.R. articulate international goals entirely incompatible with the U.S. order of values. Spokesmen on our side articulate world goals which could be realized only after a frustration of the U.S.S.R. amounting to historic defeat. That the articulated goals of both parties may lie beyond reach is beside the point. Each side makes plain enough what preferences it would establish as purposes of policy if it could.

In analyzing the interplay between inspection and the basic conflict of purposes, it is important to recognize that individuals may accept, draw upon and apply orders of values prevalent within their culture even while ignoring or renouncing beliefs underlying them. One may act on monotheistic postulates while professing agnosticism. In this respect, hopes for a detente between the United States and the U.S.S.R. founded on Khrushchev's indifference or even cynicism—often alleged but never demonstrated—regarding Marxist-Leninist tenets are probably like fantasies that a Borgia pope, because inconstant on finer points of practice, might have been flexible on matters in controversy with Luther.

NATURAL LAW AND INSPECTED TRUTH

The mode of thought underlying the U.S. approach, whether or not recognized and acknowledged, rests on ideas of natural law. A unified creation, with a pattern of right reason inherent, is postulated. Good is identified with it. Principles are held as reflections of this good. What opposes good is ascribed to aberrant free will. Interests are seen as colored with such aberrant imperfections associated with misguided free will. Principles thus transcend interests. Social good inheres in upholding principles impartially. The concept of authority—which is to say, power to bind in conscience—is based on devotion to principles unswayed by interests, impartially applied. Facts are items of information developed impartially by authority and are an objective basis on which to apply principles. Such are the justifying, if not always reigning, concepts in state life.

In the U.S. view, an inspectorate in connection with arms control comprises institutional arrangements for projecting onto the world scene, and especially onto the U.S.S.R., a fact-finding function based on the conception of authority described above. It must be above interests, impartial in endeavor—its authority acknowledged, permitted scope, facilitated in operations, submitted to without cavil or hindrance. Its existence and functions, thus serving as both a substantive and symbolic substitute for trust between the great adversaries, would gradually evolve a basis for confidence. It would serve to assemble and to verify facts to bolster assurance or to confirm doubt. In extremity—that is, in event of the need to abrogate an agreement in face of unacceptable violations by others—the system would provide warrant and vindication. In sum, the U.S. plan for a disarming or disarmed world is congenial to the U.S. view of legitimacy.

The U.S.S.R. view is different. The U.S.S.R. asserts a total claim on the future, based on its dialectic concepts of history. An essential aspect of this claim is that history progresses by inherent momentum toward a final perfection perceivable only through Communist doctrine. Concepts of legitimacy are derived from the law of history which ordains eventual universal triumph for Communist interests and purposes. All other interests and purposes are deemed deviant and devoid of legitimacy. The ruling Communist Party is considered sole interpreter and custodian of legitimacy. Bearers of party authority are constrained not to concede legitimacy to any authority beyond their control.

INTRUSION AND INSPECTION

No thread, I contend, has been more consistent in Communist conduct than this sensitivity to making any concessions to external authority—manifested in the World War II period by the Soviet's obduracy against the scheduling by the Western allies of chain bombing out of Russian airfields, stiffness over timing of lend-lease convoys, and impingements on UNRRA operations. The instances often cited as countervailing turn out to be unconvincing under examination. Russia's acceptance of inspection in post World War II occupation agreements, for example, pertained to domains not yet brought to heel. Soviet agreement to inspection in Antartica involved no Communist area. Communist accession to inspection in North Korea under armistice terms has proved nugatory in real effect. According

to a notion persistent within the so-called disarmament community, the U.S.S.R. did once offer concessions on inspection in test-ban discussions. But should we construe a martini recipe as an offer of a drink?

An index to this attitude is the Soviet practice of linking inspection with the term intrusion. All too often, Americans echo the linkage, using "intrusive inspection" for inspection proper and "nonintrusive inspection" for monitoring. A standard definition of intrusion is "forcing of oneself into a place without right of welcome, the act wrongfully entering onto property of another." Inspection is defined in lexicons as "the act of examining officially"—and officially means "with authority, with sanction." "Intrusive inspection" is a contradiction in terms and "nonintrusive inspection" a tautology. Both expressions should be banned from U.S. discourse.

Soviet willingness to invite in an authenticating agency on occasion is quite conceivable but has no bearing on submitting to inspection. The U.S.S.R. persistently says inspection is out—a stand consistent with Communist dogma. In face of this, it is difficult to explain lingering U.S. hopes that the U.S.S.R. really does not mean it, and that obduracy can some day be overcome by adjusting details. The United States may indeed exaggerate the efficacy of inspection. In this connection, the notion that inspection has a potential for guiding the U.S.S.R. toward becoming an open society may be laid aside as inherently too marginal and speculative for serious consideration. The point of inquiry is whether inspection could do the job for which designed. I am not in a position to state definitive views. I can only raise questions.

One question pertains to inspection as a way of insuring compliance with any agreement. For the moment, and for argument, formal acceptance of inspection terms by the U.S.S.R. and other Communist regimes may be assumed. But formal acceptance does not necessarily mean cooperation. The Korean armistice pattern might well be repeated—continuous frustration, postponement, avoidance, and administered ambiguity. The level and quality of information afforded might well be less than attainable through monitoring—that is, verification by means available to the United States irrespective of Soviet cooperation. The international inspectorate would probably provide small, if any, assurance of compliance.

A second question concerns the qualities of an international inspectorate. To gain necessary respect and credit even under favorable conditions, such an inspectorate would have to have high motivation and technical competence. Yet presumably an inspectorate would have to draw heavily on people from uncommitted countries. Most of these countries are—and will remain for a long time—short on technicians. They will need to keep their best men at home.

Third, a question is in order concerning the integrity of findings by an international inspectorate. U.S. expectations are based on the assumptions that everyone can divorce truth from its consequences. The United States envisages an international inspectorate disciplined and constrained to rigorous, exacting attitudes toward empirical data, irrespective of preconceptions and preferences. Yet the United States doubts the detachment of Communists in an inspectorate; in the event neutrals may prove equally self-interested.

U.S. expectations overlook a disposition, basic in the cultures of many of the neutralist countries, to view magisterial functions as intended not so much to forward the triumph of good over evil as to keep contention between them from getting out of hand. This calls for temporizing, mitigating, hoping always to work out arrangements to save something all around, but in a pinch favoring concessions to the more intransigent. F. S. C. Northrop's "Philosophical Anthropology and Practical Politics" reflects good insights into this attitude.

I recall an illustrative instance. Representing the Government of the United States at an International Red Cross Conference during 1952 I was forced to the limit of my patience in trying both to avoid a donnybrook and to preserve national prestige in the face of outrageous attacks from Chinese Communist delegates. At intermission, a delegate from a leading neutralist country, after praising me for reasonable forbearance, added, "These men are mad dogs. You should have let them have their way"—a non sequitur to me but obviously plausible to him.

To expect unequivocal findings by an international inspectorate which has neutrals in the swing position—especially with respect to crucial considerations likely to precipitate renewed competition on armament—is probably too much. Should the United States ever find itself constrained to abrogate a disarmament treaty, it would probably have to do so, and to face consequences, on its own sole sovereign discretion—without any international certificate.

It could be—who can say for sure?—that inspection would not raise the level of technical surety over that achievable by monitoring. Some experts say this. Perhaps also the United States has not realistically appraised factors of feasibility in regard to plans for an inspectorate. These negative considerations, however valid, do not dispose of the matter. It is necessary also to take account of the political acceptability of an agreement within the United States—an aspect bearing on the juridic character of an agreement.

So systematic and far reaching a venture as a formal agreement on arms control and disarmament should be an act of state of a most solemn character—to be undertaken only on a basis of firm and demonstrated concurrence between the executive and the coordinate political branch. It should commit the nation beyond the term of the administration launching it, with a status above party contention. It should contract other parties to obligations equally durable and deep. A treaty seems appropriate, even indispensable, as an instrument for any such formal agreement.

In this perspective, limits, difficulties, and doubts regarding inspection recede to academic import. Questions of confidence and dependability are not merely technical. They never were. They might conceivably have become so if at some juncture relationships between the United States and the Communist imperium had turned onto a basically better course. Then armaments might conceivably have been tethered without all the paraphernalia of inspection. But this hypothesis is based on fantastic rather than realistic imagination. Whatever the theoretical possibilities under dreamed up conditions, one now must take account of the autumn missile crisis. I have heard hopeful speculations regarding its effect, as if fellowship might grow out of a shared crisis, as if wrestling a bear to the brink were a mutually endearing experience. I am skeptical. I see little in recent events to nourish the mystique of trust. An uninspected arms control compact seems out for the calculable future. The outlook is dour—indefinite impasse on formal terms, with abatement of the problems restricted to unilateral steps and to informal and tacit agreements, with or without more such crises as the one over Cuba.

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

Mr. CURTIS. I am delighted to yield to the distinguished junior Senator from Colorado.

Mr. DOMINICK. Mr. President, I wish to congratulate the Senator from Nebraska not only for submitting the resolution itself, but also for the statesmanlike method of the presentation he has adopted, and on the very progressive and constructive thoughts which he has given in his speech. I wish the Senate to know that I, among others, fully support the principles and the details of the Senator's concurrent resolution.

It adds to our deliberations a needed safeguard of realism and reason, and would provide a deterrent against the sort of ill-conceived and dangerous suggestions currently being espoused by some of our Federal agencies charged with the conduct of our affairs in world councils. I share the Senator's concern that there appears to be a pellmell rush to weaken this Nation's historic position as the champion and protector of the weaker nations in this free world.

On September 19, 1961, when the House passed the original legislation establishing the disarmament agency, I took the floor of the other body, of which at that time I was a Member, and said, among other things:

> We have just seen the Soviet Communists explode their 13th nuclear blast with testing renewed by their own unilateral action. Free countries have been threatened with annihilation by Soviet rockets. Mr. Khrushchev has said that our grandchildren would exist only under Communist rule. We have tried for years to obtain an agreement on nuclear disarmament and each meeting has been deliberately stalled and broken up by the Soviet Communists. From a handful of fanatics in 1916, international communism now tyrannizes over one-third of the population of the world and it continues to grow not by the force of argument and principle, but by force of arms and terror.

We should remind ourselves of the warnings given to the Congress by the eminent nuclear scientist Dr. Edward Teller. Although discussing the dangers to our strength which would result from a test ban, he pointed out that a test ban might strike a fatal blow to our defense of the free world through NATO, while at the same time building the free world's enemies. Certainly his warning that test bans, or for that matter, disarmament, would not restrain the Communist government of Red China, and might be considered a slap to France, is an acute observation. Recent events suggest the bold truth of that analysis. Dr. Teller, we may recall, drew a parallel of present conditions with our abandonment of Czechoslovakia at Munich which history shows was a major factor which brought on World War II, and he concludes that had the Munich Pact also banned fighter planes and radar the inevitable consequence would have been the fall of Great Britain. There is reason in his view to suggest that the Soviets even now are seeking to maneuver this Nation into another Munich. I share the concern of the distinguished senior Senator from Nebraska and others in the light of the recent developments that we tend to blind ourselves to the true ideology of the Communists, seeking to interpret their actions within the framework of our own principles and beliefs. We ignore their statements,

such as those made by Lenin and often repeated:

To continue an undeclared war or to launch an open war no casus belli is needed, only fresh breath and favorable circumstances.

The war itself has been decreed by Communist history and was declared by Marx once and for all in 1848 when he wrote:

The Communists scorn to conceal their aims, the forcible overthrow of all existing conditions, a world to win.

Their philosophy contends that:

In this war, although armistices and temporary agreements are necessary, the essence of any agreement is that it is temporary, not that it is an agreement. The struggle may have to be continued by other means for a shorter or longer period. But war itself is only the continuance of the politics of peace, and peace the continuance of the politics of war, by other means.

This, I repeat, was the credo of Lenin. It has not changed. We must understand it. We must remind ourselves continuously that "negotiate" and "agree" have different meanings for them and for us. To them lulls cannot conceivably or decently be preliminaries to all-out peace as we understand it, nor are specific "hot spots" really separate except in the sense that they have been separated out for strategic or tactical convenience from the general context of struggle. Every negotiation, every issue, even every day's session as we have seen in the apparent fruitless 5-year negotiations in Geneva are regarded primarily as a move in an irreconcilable conflict. Khrushchev himself has reiterated this, the very same credo, as recently as 1959 when, before the Foreign Ministers Conference in Albania, he is reported to have said:

They say [meaning the United States] that with the U.S.S.R. you must negotiate in the following fashion concession for concession. But that is a huckster's approach. We do not have any concessions to make, because our proposals have not been made for bartering. [Their] proposals do not contain a single element for negotiation. They are not based on a desire to find a correct solution.

It is thus obvious that Khrushchev's solution remains the same as that stated by Marx:

The forcible overthrow of all existing conditions—a world to win.

We too must recognize that we have a world to win, but for a different purpose—to advance the cause of freedom of all mankind. It is in this light that many of us are concerned that our present path is following the ivory tower thinking that recently characterized a group of study papers produced for certain Democratic Members of the House and published under the title of "The Liberal Papers." I should like to read into the RECORD a portion of "The Liberal Papers" which suggest the actual time table of unilateral concessions, many of these concerning disarmament.

Although suggested as purely hypothetical, this timetable nevertheless brightly illuminates the sort of over reliance on Communist good will against which the resolutions of the senior Senator from Nebraska seeks to guard. Here is the timetable of unilateral concessions as suggested by "The Liberal Papers." This, I may say for the benefit of Members of the Senate, is a hypothetical timetable, one which could occur in any year, depending upon when the particular agency desired to begin to put it into effect.

April 1: We announce that, as of May 1, we intend to make public all medical information we have been gathering concerning man in space; reciprocation invited from all nations; nature of general policy indicated (A–1).

May 1: We announce that, as of May 15, all discriminatory trade and travel restrictions with respect to Communist China will be lifted, and we will entertain diplomatic exchange; reciprocation in kind is invited and general policy stated (B–1).

(A–1 reciprocated by Russia and most other countries.)

May 20: We announce a unilateral test ban that will be continued indefinitely and invite reciprocal announcement from Russia, England, and France (C–1); we also announce that we are making technicians and professionals in various fields of specialization available to the U.N. for work in the Congo and other areas; reciprocation from other "have" nations invited and general policy again stressed (D–1).

(B–1 not reciprocated by Communist China.)

June 1: We announce that at the next convening of the General Assembly of the U.N. (June 20) we will move the seating of Communist China; we again indicate our willingness to entertain diplomatic exchange and the general nature of our policy (B–2).

(C–1 reciprocated by Russia, England, and France; D–1 reciprocated by England, France, and others, but not Russia.)

June 15: We announced, as of July 15, one of our oversea bases in Japan will be publicly denuclearized, and we invite U.N. and Russian inspection; reciprocation is invited but left open ended, and our general policy is again stressed (E–2).

(On June 16 bombardment of Quemoy and Matsu increases abruptly and invasion preparations are observed; U.S. naval power concentrates and firm warnings about what our policy does and does not imply are given; Russia makes nuclear threat; on June 20 we nevertheless move seating of China in U.N.; one invasion attempt is repulsed [but no counterattack on Chinese mainland occurs]; Russo-Chinese conferences are followed by Chinese delegation seated in U.N.; Quemoy-Matsu hostilities peter out; D–1 reciprocated by Russia.)

August 1: We announce that, as of the next September, student exchanges will be offered in proportion to the populations of the countries involved; reciprocation is invited generally (A–2). We announce that, as of August 20, the DEW line (early warning system) will be made bidirectional (warning of our flights toward Russia as well as vice versa), and we invite the Soviets to "plug in" (Note: I am told this is technically feasible; it emphasizes our reliance on second-strike rather than first-strike strategy; if we have no intention of suprise attack, there is no reason why this shouldn't be done); reciprocation in kind invited (C–2).

Russia announces that, as of September 1, its armed forces in East Germany will be reduced by one-third and reciprocation in form of denuclearization of West Germany invited; we interpret this as indirect reciprocation of E–2; an envoy from Peiping arrives in Washington for talks.)

August 15: We announce that, with agreements from some of the major mass media, beginning September 1, material on contemporary world affairs prepared by Russian sources may appear on Sundays in special newspaper sections and certain TV and radio programs without censure; reciprocation in kind invited (D–2).

(We announce that, as of September 1, NATO forces are being reduced in West Germany but that no denuclearizing is contemplated at this time; East Germany announces relaxation of transit regulations between West Germany and West Berlin; B–1 reciprocated by Communist China.)

September 1: We announce that, of January 1, we will be prepared to have all launchings of flights into outer space supervised by a new agency of the U.N. which we propose be established (A–3).

(Russia announces an expanded program of inviting scholars and scientists for advanced study in Soviet institutes [which we intepret as indirect reciprocation for A–2]; Communist China invites joint teams of Russian and American scientists to Peiping for conferences on technical problems; C–2 and D–2 still not reciprocated by Russia.)

September 15: We announce that, as of October 15, the islands of Quemoy and Matsu will be publicly demilitarized and turned over to proper authorities from the mainland, and clear statements about the unchanged status of Taiwan are made (B–3); we announce that surpluses of several grain crops will be made available at adjusted prices to countries needing them during the winter (D–3); reciprocations left open ended.

(Russia proposes that, beginning January 1, the conquest of space be made a joint human enterprise on the model of the International Geophysical Year (IGY) and invites international cooperation through the U.N. (we interpret this as reciprocated for A–3); C–2 and D–2 still not reciprocated by Russia; Nehru urges that she do so.)

November 20: We announce that, as of the next meeting of the U.N. (December 1), we will move the substitution of Communist China for Nationalist China on the Security Council—reciprocation in the form of recognition of Taiwan as a sovereign country with representation in the General Assembly requested (B–4); we announce that, as of February 1, we will open this country unilaterally to inspection and monitoring by authorized U.N. teams, as further evidence that we have no intention of surprise attack—reciprocation in kind is invited from all countries (C–4).

(The demilitarization and evacuation of Quemoy and Matsu accomplished without major incident (Chiang Kai-shek's threats of retaliation countered by large nonmilitary spending program in Taiwan); Russia has reciprocated, in part, on C–2, but not D–2; under strong urging from Great Britain, plans for full-scale disarmament negotiations under U.N. auspices are being prepared.)

Mr. President, what do we actually have? This is a theoretical timetable, prepared by prominent Democratic Members of the other body. We have here the U.S. program for general and complete disarmament in a peaceful world, published as Department of State Publication No. 7277. Obviously, I shall not read the entire document. I shall, however, read some of the general principles which are set forth in it.

The general principle is complete disarmament. I read from page 3, as follows:

The disbanding of all national armed forces and the prohibition of their reestablishment in any form whatsoever other than those required to preserve internal order and for contributions to a United Nations peace force.

That is one of the methods by which this program would be accomplished. Next:

The elimination from national arsenals of all armaments, including all weapons of mass destruction and the means for their delivery, other than those required for a United Nations peace force and for maintaining internal order.

The institution of effective means for the enforcement of international agreements, for the settlement of disputes, and for the maintenance of peace in accordance with the principles of the United Nations.

The establishment and effective operation of an International Disarmament Organization within the framework of the United Nations to insure compliance at all times with all disarmament obligations.

Mr. President, I suggest that there is no series of proposals which, if they should be adopted at this time and with the situation as it exists in the world today, would more adversely or sharply affect the security and safety of this country.

Certainly every Member of this body would like to see the great burden of our existing weapons reduced. However, in the present day and age and in the dangerous situation in which we find ourselves, I share the concern of the distinguished junior Senator from Nebraska [Mr. CURTIS] that this is a field in which all people of the free world are justifiably interested; that it is of paramount importance to all people in this country; and that the impact of any agreement in the field of disarmament is so intense that any such agreement should be entered into only after joint review and agreement on the wisdom of such a course by both the executive branch and by the representatives of the people, as expressed through the membership of the U.S. Senate.

Again, I express appreciation to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from Colorado for his important contribution to the discussion of a problem which I am sure worries every thoughful American.

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

Mr. CURTIS. I am delighted to yield.

Mr. ALLOTT. I wish to compliment the distinguished Senator from Nebraska both upon his resolution and upon his excellent statement in support of it.

Also, I believe my distinguished colleague from Colorado [Mr. DOMINICK] has performed a real service for the Senate in pointing out the muddleheadedness and the muddleheaded type of thinking which seems to be going on, even in Congress, with respect to some of the fundamental issues which affect this country.

I am happy to support the concurrent resolution on arms control and disarmament, submitted by the junior Senator from Nebraska. I endorse particularly that part of the resolution calling upon the President of the United States to report to the appropriate congressional committees "any and all steps taken by him which would tend to alter existing ratios of weapons and their effectiveness between this Nation and its allies, and the Soviet bloc of nations."

Recent alterations in our defense posture underscore the importance of this proviso.

All of us recall, I am sure, Khrushchev's demand, made at the height of last October's Cuban missile crisis, that the United States dismantle its intermediate range ballistic missile sites in Turkey, as a quid pro quo for dismantling the Soviet missile sites in Cuba. Such a demand struck a few responsive chords in this country, we will further recall, for only 2 days earlier a distinguished pundit suggested such a swap as a way out of the crisis. But thankfully our President rejected the proposal out of hand.

What happened subsequently? The administration announced in January, less than 3 months after Khrushchev agreed to withdraw his missiles from Cuba, that the United States would dismantle its missile sites, not only in Turkey, but also in Italy as well. That the announcement came as a surprise was indicated by the complaint of the Italian Government that it was not consulted prior to the decision. Why the sudden change in American policy? "Weapons modernization," it was explained. The Jupiters have become obsolescent and are, therefore, no longer effective, we are told. The Polaris submarine—which, incidentally, is more and more asked to assume the burden of solving all of America's problems—will patrol the Mediterranean. Of course, a minor difficulty concerning where those Polaris submarines will be based has cropped up, but this should not hinder the dismantling of our Jupiter sites in Turkey and Italy. As a result, meanwhile, it appears that we are soon to be confronted with—if you will excuse the slogan, Mr. President—a "missile gap" on the southern flank of the NATO area, at least for a while.

Forgive me, Mr. President, for being facetious; but as an interested layman observing some of our recent diplomatic and defense moves, I cannot resist some sarcasm. Certainly there is little evidence here of the long-range planning of which this administration, with its bevy of blue-ribboned task forces, boasts. But that is not my main point. Why, Mr. President, was the Congress not consulted before this decision was announced? I am sure that my good friends who serve devotedly and conscientiously on the Armed Services Committee and its Special Preparedness Subcommittee would have expressed keen interest in this initiative. Certainly it was of more than passing interest to the distinguished chairmen of these two panels. Yet, to my knowledge, Mr. President, these Senators and their counterparts at the other end of this building were not informed of the decision to dismantle these sites, prior to its announcement, nor was their advice solicited.

This is a matter of grave concern to me, Mr. President, for we are talking about an act that, in the words of the concurrent resolution under discussion, "would tend to alter existing ratios of weapons and their effectiveness." This I believe to be true, regardless of the reason for the decision, whether it be weapons modernization or a gesture aimed at Khrushchev and the amorphous body called world opinion, to demonstrate for the *n*th time how reasonable and peace-loving we are.

Perhaps I would not be so much concerned if this decision were an isolated event. But when considering other alterations in our defense posture that have been announced in recent weeks, I become worried. Let us take the Skybolt incident, Mr. President. We are told that the manned bomber has become passé, despite expert opinion to the contrary from the Chief of Staff of the Air Force and his colleagues in the Pentagon. We are told that cost-effectiveness studies run in the Department of Defense have shown that further development of this missile would be unnecessarily wasteful.

Perhaps the Secretary of Defense is correct. But when, in the aftermath of the October missile crisis, with its uncertain denouement, we see, first, the junking of Skybolt, and then the announcement of the dismantling of our missile sites in southern Europe, I become puzzled. Are these decisions being taken for the technical reasons cited by the administration; or are they perhaps measures to persuade Khrushchev of our good will and fervent desire for peace? I do not know, Mr. President; I merely raise these questions.

In this connection, Mr. President, the junior Senator from Arizona recently dealt with this matter in some brief remarks on the floor of the Senate. He asked:

What goes on here? First—

He said—

we hear about the dismantling of missile bases in Turkey and Italy. Next we read that plans are afoot to reduce our troop strength in Europe by some 40,000 men. Then we are told about the gradual deactivation of the 850 B–47 bombers in American combat units.

Other alterations in our defense posture questioned by the Senator are:

B–58 supersonic medium bombers, production halted; RS–70 bombers, development halted; the Dyna-Soar manned spacecraft bomber system, development funds cut back; B–47 bombers, scheduled for deactivation; B–52 bombers, out of production, no new bombers either scheduled or planned.

The purpose of my remarks, Mr. President, is to endorse the concurrent resolution under discussion here, and to raise questions about some recent alterations in our defense posture that seem to me to have an effect upon the balance of military power. Perhaps there are good reasons for these moves. Perhaps, on the other hand, they could, in light of the wishful thinking evidenced in some quarters of the executive branch, unwittingly jeopardize this Nation's security. The point I want to make in raising my questions today is the need for close and continuous liaison, consultation, and genuine exchange of views and ideas on these vital matters between the executive and legislative branches. This the resolution seeks to bring about;

and, for this reason, it deserves the support of all Senators. Mr. President, I urge adoption of this resolution.

Mr. CURTIS. I thank the distinguished Senator very much for his important contribution.

Mr. SCOTT. Mr. President, with the free world's eyes focused on the arms buildup in Cuba, political developments in Canada, and the French veto of Britain's entry into the European Common Market, as well as the continuing war in Vietnam, it is my concern that the United States-Soviet negotiations on nuclear testing will proceed without receiving warranted attention. It is not my purpose to here argue the number of on-site inspections that are necessary to insure compliance with any test-ban treaty. But it does appear to me to be a bit odd that in 1958, leading experts, including those from the Soviet Union, agreed that 21 manned inspection stations in the U.S.S.R. were necessary; yet today the Soviet is offering two to three onsite inspections. Surprisingly enough, the United States is now demanding only seven. My surprise at these developments is compounded, especially when I hear that there are many hundreds of seismic events in the Russian landmass each year, any one of which, I am told, could be the result of a nuclear explosion.

Has our technology advanced to such an extent that unmanned seismic stations can keep a test-ban honest? I do not know. But I do know that Mr. William C. Foster, the director of the U.S. Arms Control and Disarmament Agency, said on January 14:

> There is no way at present to distinguish certain natural underground occurrences from nuclear explosions.

Mr. Arthur Dean, Chairman of the U.S. delegation to the conference of the 18-nation Committee on Disarmament, said on the same day:

> No one, including the Soviet Union, has been able to demonstrate scientifically that natural underground events like earthquakes can be consistently differentiated from man-made nuclear explosions.

So, Mr. President, here are two spokesmen for the administration who contend that scientific surveillance in the art is not sufficiently advanced to be able to detect all nuclear explosions.

Lewis L. Strauss, the former Chairman of the Atomic Energy Commission, is concerned over our reaching, with the Soviets, a compromise that will endanger our national security, as is Dr. Edward Teller, one of the Nation's foremost nuclear experts. It is difficult for me, Mr. President, to understand how the administration could recommend entering into an honor-system type of agreement with a country that within the past 6 months deliberately lied to our Chief Executive concerning the arms buildup in Cuba. The Soviet world and much of the free world must retire, in the evening, wondering what type of schizophrenic agreement the administration will enter into.

Of course, we are all for peace. We are all for the avoidance of nuclear war. But an agreement which would allow the Soviet to violate its very principles would not only disappoint our peaceful desires; it would also undermine the very existence of our country. The 1961 Russian violation of the test moratorium should be ever present in our mind. Assuming that, for once, the Russians were sincere, which is hard to believe, what of the Chinese? Has their activity in the field of nuclear research been taken into consideration? Reports are persistent that they have the potential to create an atomic explosion this year.

Mr. President, it is my hope that satisfactory agreement on nuclear testing can be reached; but it must be more than an agreement just for the sake of agreement. Since the termination of World War II, time after time we have been reminded that the Russian leadership cannot be trusted, either in the field of nuclear testing or in the field of the conventional type of strategic maneuvering. Based upon information supplied by experts, it is difficult for me to believe that the Soviets can be relied upon to carry out the terms of an agreement, when such an agreement is based upon an honor-system type of understanding. On January 28, Nelson A. Rockefeller, Governor of the State of New York, addressed himself to the matter of a nuclear test ban; and I ask unanimous consent that the statement by Governor Rockefeller be printed at this point in the RECORD.

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

STATEMENT BY GOV. NELSON A. ROCKEFELLER

In light of the long record of broken promises and other bitterly disillusioning experiences with the Soviet Union, including the Soviet's violation of more than 50 international agreements, I am deeply concerned by two recent developments:

First, President Kennedy's announcement of the U.S. suspension of underground testing of nuclear devices; and

Second, the apparent weakening of our requirements for a nuclear test ban treaty.

In connection with the cessation of underground testing, experience should have taught the administration that unilateral suspension of testing in advance of negotiations not only does not improve the atmosphere but on the contrary removes any incentive for agreement on the part of the Soviets.

This was proved in the fall of 1961 when the Soviets resumed nuclear testing after a voluntary test ban had been in effect for nearly 3 years, during which we had been fruitlessly negotiating to achieve a permanent test ban.

While the United States was observing this test ban, the Soviets had been preparing a test series for at least a year, thus making it possible for them to achieve major progress in nuclear weapons development in relation to the United States.

While a truly effective test ban treaty with adequate inspection is desirable, I think it is imperative that our new voluntary test ban not be extended through any protracted negotiations. We must remember that the Soviet Union broke the last moratorium only 4 weeks after solemnly assuring us that it would never be the first to do so.

As to the second problem; namely, the weakening of the U.S. position on a test ban treaty, I have three basic concerns with respect to developments since the advent of the Kennedy administration:

First, that the United States has given up the concept of manned inspection stations on Soviet territory altogether;

Second, that the administration has accepted unmanned stations in spite of statement by responsible administration officials casting doubt on their effectiveness; and

Third, that the administration has progressively reduced the number of onsite inspections we demand from 20 a year to 8 to 10 a year.

My reasons for these concerns are as follows:

With respect to manned inspection stations:

1. The 1958 Geneva Conference of Technical Experts, including the Soviets, agreed on a worldwide system of 170 to 180 manned inspection stations, of which 21 were supposed to be located on Soviet territory. The Soviets have now entirely withdrawn their agreement to a system of manned control posts on Soviet territory, and the present administration has accepted this.

2. At the time that the inspection system was supposed to be based on manned stations, the United States insisted on 20 onsite inspections a year as the minimum number required for safety against evasion.

3. When the Kennedy administration came into office, it still insisted on 19 manned inspection stations within the Soviet Union, and from 12 to 20 onsite inspections a year. Only last March 4, William C. Foster, Director of the U.S. Agency for Arms Control and Disarmament, said that these inspection requirements, if anything, might have to be increased in the national interest.

As to unmanned inspection stations:

1. This concept was first advanced in 1959 by the Berkner Panel, which estimated that unmanned stations should be located 170 kilometers apart to be effective, which would mean that 200 such stations would be required to cover the seismic area of the Soviet Union and 600 would be necessary to cover the entire Soviet Union.

2. Only last night, on the "Meet the Press" program, Secretary of State Dean Rusk revealed the ineffectiveness of U.S. unmanned testing devices in these words: "The Soviets claim that they have instruments which are fully effective in scrutinizing tests; if they have them, we don't have them."

But in the latest exchange of secret letters between President Kennedy and Premier Khrushchev, as released by Khrushchev, the Soviet Premier was talking of only three unmanned inspection stations, in the Soviet seismic area only (in contrast with the Berkner Panel recommendation of 200), and only 2 or 3 on-the-spot inspections a year, while President Kennedy in his letter to Mr. Khrushchev expressed the feeling that the Soviet proposal on inspection stations "does not go far enough" and the number of on-the-spot inspections should be 8 or 10 a year (in contrast with the 12 to 20 the Kennedy administration previously demanded).

This apparently is the current basis of negotiations.

Concerned Americans must therefore ask the following questions:

1. Why is it that, 3 months after the demonstration of Soviet duplicity in installing missiles in Cuba, we are again instituting an unpoliced moratorium on nuclear testing?

2. What gave us the confidence, 2 months after the demonstration of Soviet duplicity in Cuba, to reduce inspection requirements which were still considered basic a year ago?

3. If there is new scientific evidence warranting our reduction of inspection requirements, why has the American public not been told about it?

4. What incentive do the Soviets have to accept any American proposal, or to behave responsibly, if as a result of their intransigence they receive evermore favorable U.S. offers?

5. Is it wise to engage in bilateral, secret negotiations with the Soviets at a time when we are asserting the indivisibility of the Atlantic NATO alliance, and on issues which basically affect the security of our allies?

The American people are entitled to answers to these questions before irrevocable decisions are made which may seriously prejudice the future security of the United States and the whole free world.

All in all, it seems to me that in this critical area the administration is trending toward a Cuba-type inspection plan. One of these is dangerously more than enough.

Mr. BENNETT. Madam President, will the Senator from Nebraska yield?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. CURTIS. I yield.

Mr. BENNETT. In the headlines of today's issues of the two leading Washington newspapers, I think we see a very dramatic demonstration of what the Senator from Nebraska and the Senator from Utah fear.

The headline in this morning's Washington Post reads as follows: "K Warns United States on Cuba: Invasion Means H-War."

The following article states the details of how Mr. K spells that out.

In the face of that blast, I think it ironic that we find in this afternoon's Washington Star the following headline: "United States Drafting New A-Test Treaty—Changes Ease Requirements for Inspection."

Khrushchev rattles the saber—perhaps with no real connection between the two; but ironically, in terms of the time relationship, we move backward another step in our attempts to obtain inspection and control by means of any nuclear test ban, to which subject the Senator from Nebraska has addressed himself.

I suppose we cannot blame the people of the world for coming to believe that the more Khrushchev shouts, the faster we shall step back. We have already come to the point where we say we are going to be satisfied with seven inspections; and now, apparently, there is to be offered a new treaty which would take us closer to the time and the situation in which we might say we would be satisfied with no inspections. Madam President, I think this most ironic.

Mr. CURTIS. I thank the distinguished Senator from Utah.

Mr. HART. Madam President, I listened with attention to the remarks of Senators following the interesting remarks of the Senator from Nebraska [Mr. CURTIS]. I was struck by the comment made by the Senator from Utah [Mr. BENNETT], who read two headlines from today's issues of the two principal Washington newspapers, the first of which announced again that Khrushchev would view very dimly any military action on our part to invade Cuba; and then the Senator from Utah pointed out that this afternoon's Washington Star states that we are drafting a new test ban treaty, and the Senator from Utah read the headline: "United States Drafting New A-Test Treaty—Changes Ease Requirements for Inspection."

I believe the Senator from Utah was conscious of the concern to which I now address myself, and he may well have so indicated on the record. But I wish to make very sure that there is no reader of the CONGRESSIONAL RECORD, here or elsewhere in the world, who would be able, as a result of this afternoon's session, to stand up and say that there is an opinion in the Senate that would support the proposition that when Khrushchev barks, we back down. I ask the Senator from Utah if he does not agree that that would be a most unfortunate implication.

Mr. BENNETT. I think it is unfortunate that those two events happened as they did, but one would not need to read the CONGRESSIONAL RECORD. We merely have to read the headlines in the two newspapers to which I have referred.

I make the point, too, that apparently there has been no response from the President or his advisers to Khrushchev's saber rattling, indicating that we were going to let him get away with it. So the combination of events leaves us in a very weak position. I am sure that neither the Senator from Michigan [Mr. HART] nor I desire the world to get the impression that we are backing all the way down. But, unfortunately, in the juxtaposition of those two events, that impression can well be created.

Mr. HART. Would the Senator from Utah be happier if the President of the United States should announce that we are going to invade Cuba? Is anything short of that course backing down?

Mr. BENNETT. That is the kind of question with which the Senator from Utah was faced during his campaign for reelection last year. But the Senator from Utah would be greatly heartened if the President of the United States would today, in the face of the kind of blustering which we have witnessed, take the same kind of firm position that he took on October 22. He has left the American people wondering how far Khrushchev can go before we announce a firm program. That firm program need not be a direct invasion of Cuba. It could well be a reimposition of the blockade or some satisfactory substitute.

Mr. HART. Is the Senator from Utah satisfied that a blockade at the present juncture would be legal under international law? Or should we not concern ourselves with that question?

Mr. BENNETT. The American people are eagerly looking for the day when the President will take some kind of step which would indicate his firm determination not to let Khrushchev continue to press us in Cuba. I am not presuming to say what that course should be. I do not think it is the responsibility of the minority to decide what it should be or when it should happen. I am merely expressing the feeling that I get from the people back home. Those people were happy last October when the President took a firm stand. They are now greatly disturbed to see that there is no followup in the face of the kind of blustering we have had from Khrushchev.

Mr. HART. Madam President, I am grateful to the Senator from Texas for permitting me, in a sense, to intrude. I should like to conclude by making clear my own reaction to those two headlines. As an American and as a Member privileged to serve in this body I am proud of my country and the fact that it continues to seek that which actually is the common aspiration of all mankind—to achieve an adequate resolution of the A-test question. This effort in my mind demonstrates no weakness at all. It demonstrates a sensitivity and a recognition of our obligation as a power possessed of an instrument that can incinerate mankind.

If we are not working toward a solution of the problem 24 hours a day, then I would say that we are wrong on everything.

I share with the Senator from Utah the conviction that Cuba represents a constant irritant. I know how the people at home feel. I know the expression about which he is speaking. I am not sure that the kind of discussion that sometimes goes on here does not do us all a disservice because it inclines us to miss the real threat in Cuba at the moment. The real threat is not whether there are 10,000 or 15,000 Russian troops, good, bad, or indifferent, frontline or rearline troops. I cannot believe that troops in those numbers represent a threat to our physical integrity or survival. There is an ultimate problem, yes. But the immediate problem is not to get lost in the swamp of debating how many troops are there or whether a gravel pit or a cement block that was or was not bulldozed last night was rebuilt today. The problem is to recognize that Cuba is a center of subversive activity in our own hemisphere and at our own back door. It is the instruction given to the young Venezuelans and the Chileans in Havana that disturbs me to an infinitely greater degree than what amounts, in total numbers, to a division of troops, but not organized as a division.

Second, we are likely to be diverted from a recognition of the fact that we must become hardheaded about aid to Latin America. We should make sure that conditions are attached to the grants we make which will reverse the conditions, political and economic, which give rise in all Latin America to the great potential of a takeover similar to the one we see in Cuba.

Having intruded to raise some questions, I desired to make clear my own feeling at the moment.

Mr. BENNETT. Madam President, I, too, appreciate the patience of our friend the Senator from Texas [Mr. TOWER]. The question that concerns the Senator from Utah is not the question of gravel pits or a nose count of Russians. It is the direction in which the situation is proceeding. The Senator from Utah greatly fears that, as far as the position of the United States vis-a-vis the Russian power in Cuba is concerned, it is weakening rather than strengthening. That is the point that concerns me.

I hope that someday the administration will come forth with a program which will reverse that trend so that all Americans may feel that we are making progress against the kind of thing that appeared in the headlines of this morn-

ing's newspaper: "K. Warns United States on Cuba—Invasion Means H-War."

Mr. HART. I do not believe I shall ever see the formula developed which will enable us to write Khrushchev's speeches.

Mr. BENNETT. Madam President, may I again thank my friend the Senator from Texas for the opportunity of the present interchange.

A COMPREHENSIVE, CONSERVATIVE PROGRAM FOR CONGRESS

Mr. TOWER. Mr. President, I introduce for appropriate reference a legislative package consisting of eight bills and resolutions designed to offer a comprehensive, conservative program for this session.

These bills are substantially the same as those which I introduced in the last Congress. Altogether they make up a comprehensive, conservative legislative program. While I do not anticipate action on this program in the present Congress, I believe the time is drawing near when the American people shall have had their fill of New Deal, Fair Deal, and New Frontier paternalism, and therefore will send to Congress a conservative majority. When that time comes, legislation of this type will be given full consideration.

Mr. President, I ask unanimous consent that a summary of my bills and resolutions be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). The bills and resolutions will be received and appropriately referred and, without objection, the summary will be printed in the RECORD as requested by the Senator from Texas.

The bills, joint resolutions, concurrent resolution, and resolution, introduced and submitted by Mr. TOWER, were received, read twice by their titles, and referred, as indicated:

To the Committee on Finance:

S. 954. A bill to amend the Internal Revenue Code of 1954 so as to provide for reform of personal and corporate income tax rates, and for other purposes; and

S.J. Res. 53. Joint resolution to establish the Joint Committee on Foreign Trade.

To the Committee on Agriculture and Forestry:

S.J. Res. 52. Joint resolution directing the Secretary of Agriculture to submit proposals to the Congress for the gradual termination of unnecessary Federal controls on farming.

To the Committee on the Judiciary:

S. 955. A bill to amend the antitrust laws to prohibit certain activities of labor organizations in restraint of trade and commerce, and for other purposes;

S.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; and

S.J. Res. 55. Joint resolution to establish rules of interpretation governing questions of the effect of acts of Congress on State laws.

The concurrent resolution (S. Con. Res. 24) submitted by Mr. TOWER, was referred to the Committee on Foreign Relations, as follows:

Whereas the foreign policy of the United States appears to omit the possibility of complete and clear-cut victory over Communist imperialism; and

Whereas this is a policy which places human survival above human dignity, which fears random manifestations of opinion more than it nurtures the hope of freedom; and

Whereas the Congress has not consented, nor can it consent to such a policy; and

Whereas the mission of the United States must be to secure victory over tyranny, the end of man's enslavement of man, and the ultimate impotence of all concentrations of power which may now or hereafter threaten the peace of the world and the freedom of its peoples; and

Whereas this purpose should be enunciated in such a way that whatever enemies we face cannot mistake it, so that the people we represent may determine their own support, and so that the enslaved peoples of the earth may find hope for a future in which their freedom, and the whole cause of freedom, is not sacrificed for safety but instead is consecrated as the central cause of our time and all times: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the purpose of the United States in its relations with other nations of the world should be—

(1) victory over Communist tyranny;

(2) to oppose by all effective means the growth of any power dedicated to aggression or the denial of freedom to its own or any other peoples;

(3) to oppose communism's worldwide efforts to subvert nations and peoples by the most effective means available;

(4) to support for all nations submitted to Soviet, Communist Chinese, or other Communist control since 1939, the right of free choice of government, after proper preparation and under appropriate electoral supervision;

(5) to press by all diplomatic means for the withdrawal of Soviet, Communist Chinese, or other Communist forces, both uniformed and covert, from all areas entered by them since 1939;

(6) to reduce Communist war machines, and the economies which support them, to levels at which they can no longer threaten the peace of the world;

(7) to fully arm, both in material and morally, ourselves for these tasks;

(8) to support and fully defend those whose freedom is threatened;

(9) to support and assist those whose aspirations for freedom are challenged by internal or external forces whose ultimate path would lead to tyranny;

(10) to counsel and assist those who, untried in freedom, are tempted by the promise of rapid growth to embrace coercive economic systems, that they may be preserved instead on the path of the only proven progress to freedom—that of individual dedication, dignity, initiative, and responsibility in a free capitalistic economy;

(11) to enjoin all nations to a course of full commitment to self-determination; to discourage attitudes of benevolent neutrality which, when men are not free, debase all men, weaken all freedom, and work not for peace but for the advantage of aggressors; and

(12) to remind a world often fearfully unsure, that peace in our time depends not upon the concessions of free nations but upon their determination and upon the enemy's assessment of that determination, that life itself is no more dear than the conditions of that life, and that freedom is the only tolerable human condition for the people of these United States and for a world at peace.

The resolution (S. Res. 100) submitted by Mr. TOWER, was referred to the Committee on Government Operations, as follows:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study for the purpose of determining—

(1) the extent to which departments and agencies of the Government are engaged in the production or furnishing of goods and services which can be supplied by private enterprise;

(2) the extent to which necessity or the national security require that such goods and services be produced or furnished by departments or agencies of the Government; and

(3) the means and methods by which the function of producing or furnishing such goods and services may be transferred at the earliest practicable time and to the greatest practicable extent to private competitive enterprise within the United States.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1963, through January 31, 1964, is authorized to (1) make such expenditures as it deems advisable; (2) employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized at its discretion to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings upon the study and investigation authorized by this resolution, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1964.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $125,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The summary presented by Mr. TOWER is as follows:

The package includes measures in the following fields:

1. A balanced Federal budget: This is a proposed constitutional amendment making a balanced Federal budget mandatory except in case of war or other grave national emergency.

2. Taxes: A bill identical with H.R. 265 introduced in the House of Representatives by Representatives HERLONG, of Florida, and BAKER, of Tennessee. This is a comprehensive proposal calling for across-the-board reductions in tax scales, both individual and business. In addition it includes new depreciation provisions applied to new acquisition of business plant and equipment. This measure would make statutory provision for tax-free transfer of capital by individuals, but not by corporations, from one investment to another within a taxable year when the investments have been held at least 6 months. Finally, the bill would establish a new formula for setting tax rates on estates and gifts with a top rate of 47 percent.

3. Foreign trade: A resolution to establish a Joint Committee on Foreign Trade to exercise congressional oversight of all foreign trade programs.

4. Government competition with private business: This is a resolution authorizing a Senate Committee on Government Operations to make a full and complete study to determine the extent of Government competition with private enterprise, and to determine means and methods by which such functions can be transferred to private enterprise.

5. Foreign policy: A resolution expressing "the sense of Congress" that the purpose of the U.S. foreign policy is: (1) Victory over communism; (2) to oppose by all effective means the growth of any power dedicated to aggression or the denial of freedom to its own or to any other people; (3) to oppose and end communism's worldwide efforts to subvert nations and people; and (4) to support and secure the right of free choice of government for all nations submitted to Communist control since 1939.

6. A resolution to establish rules of interpretation governing questions of the effect of Federal laws on State laws: The resolution would provide that no future act of Congress would be construed as indicating an intent on the part of Congress to preempt State laws on the same subject matter, unless Congress expresses such intent.

7. Labor antitrust law: The purpose here is to prohibit certain types of union activity intended to lessen competition or to establish monopolies in the marketplace for products or commodities. For example, efforts by the unions to prevent the installation of preglazed windows or factory-painted kitchen cabinets. It has no application whatsoever to the supply or price of labor.

8. Agriculture: This is a resolution to gradually move the Government out of the field of farm controls. Within a period of 6 years the level of price supports would be gradually reduced while increasing acreage allotments and marketing quotas.

NEED FOR VIGOROUS PROSECUTION OF COMMUNISTS

Mr. TOWER. Mr. President, last year, I made a speech in the Senate calling for more vigorous prosecution of Communists by the Justice Department. I am even more convinced now than I was then that more intensified prosecution is necessary.

Aside from their activities in the political and military fields, Communists continue to subvert and to do violence to other institutions and aspects of American life. Recent events in my own hometown of Wichita Falls, Tex., provide a dramatic and sorry example. Let me tell the story from the beginning.

In the summer of 1960, a committee of the board of directors of the Civic Playhouse of Wichita Falls, a little theater group of which I was a member, met in my home and interviewed Mary Lee Maxine, whom we subsequently employed, with her husband, Willis Henry Maxine, on a full-time basis to direct and manage the Civic Playhouse.

As professional employees of the playhouse, they performed the functions of stage direction, set construction, business management, and general supervision of the theatrical activities of the playhouse. In this connection, they also engaged in some theatrical work at Sheppard Air Force Base, but were subsequently barred from the base as security risks.

It was learned by a local attorney, Mr. John Mogan, a former FBI agent, that the Maxines were Communists. On learning this from reliable sources, Mr. Mogan, together with his wife—both active members of the playhouse organization—made this information known to the board of directors of the Civic Playhouse in April of 1961, and they were discharged.

In February 1962, a $106,000 slander and defamation of character suit was brought by Willis and Mary Maxine of Wichita Falls, Tex., against Frank G. Logan and John and Barbara Mogan charging that the defendants publicly called the Maxines Communists. Logan was subsequently dismissed as a defendant in the case.

According to the Wichita Falls Times of September 11, 1962, testimony began the previous day in the $106,000 slander suit of the Maxines against John and Barbara Mogan. It was indicated that the Maxines were former employees of the Civic Playhouse and the defendants were members of the playhouse board of directors in April 1961. The Maxines were asking $75,000 exemplary damages, $6,000 actual damages and $25,000 punitive damages.

In September 1962, Mrs. Maxine took the stand and testified. Mrs. Maxine admitted attending Communist-front schools but denied knowing the schools were on the national subversive list at the time she was attending them. She denied being a Communist although she admitted she had been asked to join the Communist Party—CP—at one time in New York but had refused.

Willis Maxine took the stand and stated that he had never, to his knowledge, met a Communist although he admitted he had met some who seemed to think socialism would be a "great way to run America."

The September 13, 1962, issue of the Wichita Falls Times quoted Willis Maxine as stating:

> I was not a Communist * * * and I have never distributed the Daily Worker.

Willis Maxine testified, in his slander suit against the Mogans, for nearly 2 hours and admitted he had associated in the past with persons in the Minneapolis, Minn., area who allegedly were members of the Communist Party in the United States. The newspaper reported that Maxine emphatically denied membership in this Communist organization. The newspapers revealed that the Maxines contended in their suit they were discharged as employees of the Wichita Falls Civic Playhouse because of the reports to the playhouse board of directors by the Mogans that they were Communists.

The September 24, 1962, issue of the Wichita Falls Times revealed that a self-admitted former member of the Communist Party had identified Mr. Maxine as "a hard-working member of the Communist Party, one highly trusted by Communist officials, and one who would be considered a 'revolutionist'."

Mrs. Ruth Gordienko, of Minneapolis, Minn., testified on the witness stand in the slander suit and repeatedly contradicted earlier testimony of Willis Maxine. She identified Willis Maxine as the "distributor of the Communist Daily Worker newspapers in the Minneapolis area." Mrs. Gordienko related her personal relationship with Maxine during the years 1952 and 1953, a relationship which allegedly carried the two into several meetings and social functions with top-ranking members of the Communist Party in the United States. She testified:

> Max [the name she used in referring to Maxine] was a member of the Communist Party. I saw him at several of the meetings and he told me he was a Communist. In fact at one time he told me how much he hated stoolpigeons, spies, and persons who worked undercover for the FBI and informed on Communist activities. He said if the Communist Party ever asked him to spy on persons to help the party, he would be glad to do it.

Mrs. Gordienko stated that she was working during the above period as an informant for the FBI. She claimed to have been a member of the Communist Party in Minneapolis in 1948 and 1949 and continued her membership after moving to Winnipeg, Canada. While in Canada, she broke with the party and thereafter worked for the FBI until 1954. When asked whether she knew if Maxine was still a member of the Communist Party, she replied:

> I don't know if he is still a member but he definitely was a member the last time I heard. I understand he did remain in the party.

Mrs. Gordienko's testimony took place on September 14, 1962.

The Wichita Falls Record News of September 15, 1962, reported that the plaintiffs appeared stunned by the defense move of calling Mrs. Gordienko as a witness and when court resumed following the noon recess, George Schatzki, Dallas attorney for the Maxines, filed motions for a mistrial and a continuance, both of which were overruled.

The Wichita Falls Times of September 17, 1962, revealed that the $106,000 slander libel trial of Maxine and his wife against the Mogans ended abruptly on September 17, 1962, when the plaintiffs' motion for dismissal of the suit was granted.

Before moving to Texas in 1960, Willis Maxine was engaged in Communist Party youth work in the Minneapolis area. It was understood that he was to take an active part in organizing a Communist Party youth group in the Minneapolis area which would function along singing or dramatic lines. The original plans did not materialize and it was shortly thereafter that Maxine and his wife moved to Wichita Falls, Tex.

In July 1959, Maxine attended the annual picnic of the Minnesota Freedom of the Press Committee—MFOPC—held at Hastings, Minn. The principal speaker was George Morris, labor editor of the Communist weekly newspaper, "The Worker." The MFOPC was organized in 1952 for the purpose of continually agitating against closing Communist Party offices, arrest of Communist Party leaders and to fight any measures that would stop circulation of the Worker.

On May 2, 1960, Maxine attended a May Day celebration in Minneapolis which was sponsored by the Communist Party. Sam Davis, acting secretary of

the Minnesota-Dakotas district of the Communist Party, delivered the principal address.

While living in Minneapolis, Maxine was a frequent visitor to the residence of Sam Davis and worked with him in connection with Communist Party activities.

In June 1957, Maxine attended a "smelt fry" sponsored by a Communist Party club which was held in Glenwood Park, Minn.

In October 1957, Maxine attended the opening of the North Star Book Shop in Minneapolis at which Hy Lumer, national educational director, CPUSA, was the main speaker.

In December 1955, Maxine attended a "welcome home" party for Martin Mackie, district organizer of the Minnesota district of the Communist Party. Maxine also attended a New Year's Eve party at the residence of Martin Mackie on January 1, 1956.

In May 1956, Maxine attended a May day rally sponsored by the Freedom of the Press Committee, a Communist group, at which the featured speaker was Sam Kushner, labor leader of the Illinois edition of the Worker.

In January 1955, Maxine was observed in St. Paul, Minn., delivering handbills relating to the 31st birthday of the Worker.

In connection with Mary Lee Maxine, nee Mott, she was also associated with Sam Davis with respect to assisting her husband in Communist Party youth activities in Minneapolis area.

Mr. President, these things I have related, along with other unimpeachable information which I have received, produces convincing evidence that Willis Henry Maxine is a dangerous Communist of revolutionary inclinations who is prepared to follow the bidding of Moscow in the conduct of subversive activities, including espionage.

Many good and well-intentioned people—some very conservative and avidly anti-Communist—came to the defense of the Maxines when they were charged with being Communists. If I had not been familiar with the circumstances I may have defended them myself. It seemed highly unlikely that people simply engaged in little theater work should be Communists. Indeed, Mr. President, I was partially responsible for hiring these people and I think my record against communism is well known. It never occurred to me that Communists would seek to subvert an organization that functioned to produce amateur theatricals. This has been a tremendous embarrassment to these good people who defended the Maxines. The intrusion of Communists into my hometown has divided a community. It has placed the existence of a fine cultural organization, the Civic Playhouse—the only outlet for local theatrical talent in my community—in jeopardy. The organization has declined in membership. It is in financial straits. I am hopeful that the people of Wichita Falls will not allow the Communists to secure even such an apparently minor victory by destroying a worthwhile community institution. Now more than ever before they should rally to its support.

The Mogans—public spirited citizens—have incurred heavy legal fees as a result of the Maxines litigation. The Maxines, as late as yesterday were still living in Wichita Falls, still at large, spreading dissension and imposing themselves on innocent people.

What has happened in Wichita Falls is just one example of how Communist Party members can be a destructive force in this country. It is another example that gives the lie to the arguments raised by some that the existence of the Communist Party, because it is small in number, constitutes no threat to the peace and security of our country.

Again, Mr. President, I implore the Justice Department to initiate a program of vigorous rooting out and prosecution of Communists in the United States.

BENEFITS FOR COLD WAR VETERANS

Mr. KEATING. Mr. President, I am pleased to join with the senior Senator from Massachusetts [Mr. SALTONSTALL] and the senior Senator from Utah [Mr. BENNETT] in cosponsoring the bill to provide benefits for cold war veterans. I represent a well-deserved step in the direction of recognition for those American servicemen who are serving in areas of cold-war danger throughout the world. Although we are certainly not engaged in a worldwide hot war today, there is equally no doubt that Americans are being killed around the globe, but particularly in South Vietnam, in the course of conflicts which are essentially activities of warfare. In increasing insurance and other benefits, this bill provides for a wider recognition of the service these men are giving their country today.

Mr. President, I would, however, like to make the point that this bill would appear to apply only to areas or parts of the world that are designated as "areas of hostility." Personally, I would be inclined to think that in some branches of the service, such as SAC or Polaris submarine duty, the nature of the service is so much a part of the cold war and the dangers faced are so exceptional that some provision should be made for these men even though they may not be technically in an "area of hostility." I would certainly hope that in further consideration of the bill, this matter would also be considered and possibly some amendments adopted.

GOVERNMENT AND BUSINESS TODAY: DOES THE REALITY CONFORM TO THE MYTH?—ADDRESS BY CLARK M. CLIFFORD

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech made recently at Washington University by one of the university's distinguished alumni, one of the Nation's most prominent citizens, Clark M. Clifford.

Mr. Clifford, who served so ably as Counsel to President Truman, who has helped in many other governmental capacities, and who understands the Government as well as anyone I know, in or out of Government, has devoted his very logical mind to an analysis of big government, big business, and big labor, resulting in this fine and thoughtful speech which in my opinion merits the attention of the Congress.

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

GOVERNMENT AND BUSINESS TODAY: DOES THE REALITY CONFORM TO THE MYTH?

(Address by Clark M. Clifford to the Washington University assembly on the occasion of Founders Week, celebrating the 110th anniversary of Washington University, St. Louis, Mo.)

It is with a sense of deep satisfaction and gratification that I return to my alma mater on the occasion of her 110th anniversary. I pay homage to those who have gone before who have brought her to her present high estate, and to those present here who shall carry on her sacred traditions and cherish her honor and renown.

During World War II and the tense years which have followed, Americans have come to understand how prophetic was Winston Churchill's comment that the West was faced with "long-drawn trials of vigilance and exertion." Our trials indeed have been long drawn. They have seemed in fact almost interminable, as crisis has followed crisis in unending and unrelieved succession.

We find ourselves committed to a titantic struggle with communism, nonetheless mortal because both sides seek to avoid resolving the issue by resort to mutual cremation. We are confronted by nations and ideologies committed to imperialism, constantly probing for weaknesses, constantly encroaching, seeking every means to expand their control over the world's human and material resources.

Even though we are preoccupied with foreign relations and our national defense, more and more thoughtful people have come to recognize that the outcome of this struggle will ultimately depend to a great extent upon our economic strength. For the foreseeable future, our economy must sustain the burden of an armament budget exceeding $50 billion a year. It must provide employment for a labor force growing in size, skill, and expectation. It must support a technology which will produce not only superior weapons but also commercial products which are competitive with those of foreign countries with lower cost labor.

Thus we are entering a period when our economic system will be subjected to its greatest strain. Because I believe so deeply in our free enterprise system, I consider its preservation a vital part of the victory we must win in our contest with communism. Yet I know that if we cannot find the means to make that system equal to our Nation's needs, the American people will change the system.

So we must do more than compete with communism. We must win with our techniques, not with theirs, or the victory will be hollow indeed. We must rely on the efforts of free men, working together to solve their problems. And in no area does that joint effort confront more challenging problems than in the relationship between government and business.

THE BUSINESS VIEW OF GOVERNMENT

To understand fully that relationship, we must consider some myths which surround it. No aspect of our society today is the subject of more superstition, oversimplification, or sloganizing. While those in government and those in business are almost equally

guilty, let us first consider the beliefs of businessmen about government; how they regard it; what they expect of it.

There is today in the American business community a classical orthodoxy, accepted by many, which includes a familiar litany on government. It runs something like this:

"Government is at best a nuisance; at worst a menace.

"At best it is a nuisance because it is operated by bureaucrats, a class congenitally dense, arrogant, slow, meddling, ignorant, and composed of men who have never met a payroll.

"It is a nuisance because it is expensive, returning little for its cost; a luxury because many of its activities, if necessary at all, could be conducted better and more cheaply by business.

"At worst, government is a menace because of its natural tendency to regulate for the sake of regulating. It is staffed by ambitious men full of impractical, socialistic ideas, bent upon obtaining more and more power.

"Most damning of all, it is antibusiness, and thus opposed to the free enterprise system—foundation of the American way of life."

The essence of this antagonistic view of government is most often expressed as a resentment of government interference in business affairs. It assumes that the dominant aspect of the relationship is the initiative of government, aggressively thrusting itself into the world of business. It is interpreted as unilateral and unprovoked aggression.

Our analysis would be incomplete if we failed to note that many businessmen think they detect the transition of government from nuisance to menace simultaneously with a change from a Republican to a Democratic administration. It is particularly a Democratic administration which is expected to be antibusiness, with the least understanding of business problems, and inclined to the wildest of Socialist experiments. Since we have just completed 2 years of a Democratic administration, let us consider the extent to which the reality of government conforms to this myth.

MYTH VERSUS REALITY

The major legislative undertaking to date by the Kennedy administration was the Trade Expansion Act of 1962, designed primarily to equip the Government to secure the reduction of foreign tariffs and the removal of quantitative restrictions which inhibit the sale of American goods abroad.

It would be difficult to conceive of any endeavor more essential to the future health of American business. Already more than 8 percent of our total output of manufactured and semimanufactured goods is sold abroad. Twelve percent of our total agricultural production is exported, so that 1 out of every 6 acres is producing for oversea consumers. In the case of many industries, the dependence on foreign markets is even more pronounced. As examples, over half of our production of locomotives and a third of all construction, mining, and oilfield machinery and equipment are sold abroad.

For most major industries in the United States the development of foreign markets represents the best hope for substantial increases in production and employment. Rising personal incomes and higher standards of living all over the world are creating an explosion of demand for consumer goods similar to the one we have experienced in this country since World War II.

* * * * *

A second major task which confronted the Government during the last 2 years was establishing a communications satellite system, involving the basic question of whether this system should be owned and operated by the Government or by private industry.

The Kennedy administration, against violent opposition, proposed and vigorously supported ownership of the satellite system by a private corporation. It is to be subject to the normal regulation of a public utility, and the Government is to provide the facilities for launching the satellite on a reimbursable basis.

* * * * *

The third major way in which the present administration demonstrated its attitude toward business was in a series of proposals for changes in the tax laws and related changes in tax regulations.

In 1962 the administration liberalized the rules concerning depreciation and secured legislation providing substantial tax credits for business expenditures for new equipment. It is estimated that these measures are saving business over $2 billion a year in taxes, and significantly increasing the net return on capital investment.

Last month President Kennedy proposed more sweeping changes in the tax laws, calling for a "top-to-bottom reduction in personal and corporate income taxes in 1963—for reducing the tax burden on private income and the tax deterrents to private initiative that have for too long held economic activity in check." In his economic report, the President continued: "Only when we have removed the heavy drag our fiscal system now exerts on personal and business purchasing power and on the financial incentives for greater risk taking and personal effort can we expect to restore the high levels of employment and high rate of growth that we took for granted in the first decade after the war."

I suggest that it would be difficult to express a more concise summary of the view which the business community has advanced since World War II, regarding the effect of high levels of taxation on business and economic growth.

* * * * *

These are examples of a 2-year pattern of major governmental actions which I submit is at complete variance with the orthodox view of government. Is this departure from the expected norm the result of the fact that our country has again produced in a time of crisis a great President, unusually perceptive in dealing with the Nation's problems? Is it the result of the unusual competence and perspicacity of the members of his administration? I believe this is part of the answer, but I suggest that the difference between myth and reality is deeper and more significant.

THE NEW INTERDEPENDENCE

I believe that the relationship between government and business has undergone such changes that the orthodox business view of government is now archaic and inadequate. It does not do justice to, nor is it worthy of, the scientific, financial and managerial brilliance of the American business community.

One hundred and ten years ago, when our university was founded, the scope of governmental activity and the effect of governmental action were still very limited. At the same time, the scope and effect of a decision by any single business enterprise were also strictly limited. Ours was still a nation of small farms, of small towns, of small industries, of self-sufficiency, of great numbers of sources of almost every product the consumer used.

It should hardly be necessary even to comment on how changed is the world in which we live today. It is true that government has a greater role in the affairs of business, but this is the result not of aggression, but of necessity, arising out of the complex interdependence of modern society.

The orthodox business ideology on the relationship of government and business sees the growing role of government as a trend to be reversed. I submit that the trend is inevitable and irreversible, and a political or propaganda program to get the Government out of business is foredoomed to fail. Its goal is as hopeless of achievement as would be a decision by politicians to end the Government's dependence on business for the accomplishment of critical national objectives. The two are permanently wedded in a partnership of necessity.

THE RESPONSE OF BUSINESS

If, as evidence of the past 2 years suggests, government is displaying a responsible and constructive concern for the problems of business; if it is consciously pursuing policies designed to enlarge business opportunities and insure business growth, what response is our society justified in expecting from business?

We ask primarily that the cobwebs of past folklore be brushed away; that the cliches be buried, once and for all, in order that we may solve the problems of our common survival. We fear that "like the army which plans the next war with the weapons of the last," business is today "in danger of facing its future armed only with the slogans of its past." [1]

An appropriate beginning to a more constructive relationship between government and business would be to explore the area of agreement on revision of our tax laws. It is an appropriate place to start because taxation is the governmental activity which exerts the broadest effect upon business decisions and business prospects.

Is the subject of taxes one about which government and business are doomed to disagree? One might assume that the President's current tax proposals would sweep away at a single stroke much of the suspicion and antagonism of business toward government, but apparently some in the business community are not so easily persuaded.

How much evidence of good faith does business require of government before it will join in a common effort to reach an agreed objective? Wise revision of our tax laws can be accomplished only with the constructive advice and counsel of the business community, offered in an atmosphere of mutual understanding, trust and forbearance. No proposals for broad changes in our tax laws could be made which would not include controversial elements, but differences over details must not be permitted to prevent our achieving the agreed objective.

I recognize that some businessmen oppose tax reduction if it results in a larger national deficit. But since we apparently face a deficit, regardless of the decision on tax revision, this is essentially a question of the level of Government spending. It is a problem which, at least for the time being, must be dealt with separately because of the traditional organization of the Congress. Expenditures are determined in the appropriation process, handled by entirely different committees than those which write the tax laws. It is the appropriation committees to whom business should present its proposals for reducing spending.

AREAS OF CHALLENGE

I hope that I do not leave the impression that the barriers to a constructive relationship have been erected entirely by business, for this is not the case. Government, too, must contribute reason and effort to remove antagonism and friction, particularly that engendered by government's role as a regulator of business activity.

The need for a better relationship between government and business is nowhere more

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[1] This warning was originally addressed to labor. Joseph A. Beirne, "New Horizons for American Labor" (Washington, D.C., 1962), p. 16.

urgent than between regulated businesses and the regulatory commissions. An indispensable element of such improvement is for government to encourage a more open and frank exchange of views between industry and these agencies. We must also reconsider the traditional exclusion of the regulatory commissions from the formulation of proposed national policies by the executive branch of Government. The commissions must be exposed to ideas, to expertise, to experience, for wise policy cannot be made in a vacuum. There is no reason that consultation with either the regulated industry or other Government departments should compromise in any way the independence which Congress has sought to confer upon the regulatory commissions.

The more sweeping and significant regulatory power of the Government is that which touches all business, restraining certain types of conduct by any business enterprise. The primary area of such regulation is that established by our antitrust laws.

As our economy becomes more complex, there is increasing conflict between business and the agencies responsible for antitrust enforcement and trade regulation. Many have become convinced that our present antitrust laws are outmoded and inconsistent.

This legislation was the product of a different age. The Sherman Antitrust Act was passed in 1890, for a nation of 63 million people, producing annually goods and services worth less than 14 billion of today's dollars. This is a total national product that is less than the sales of the General Motors Corp. last year.

The original act was broadly designed to protect competition and forbid monopoly. Experience under the Sherman Act led to the Clayton Act of 1914, which was intended to prevent monopoly in its incipiency by preventing practices which might lead to an end to competition.

These laws are basically consistent in purpose, however unfortunate may have been their application in a particular case. But beginning with some provisions of the Robinson-Patman Act of 1936, we began a system of government regulation wholly inconsistent with the belief in competition.

Why then have not these conflicting provisions been reconciled? Why has not this whole body of law been rationalized and modernized? Because, unfortunately, there exists in government a hard core subscribing to an orthodoxy no less rigorous than that of business; and the antitrust laws constitute its bible. This orthodoxy is not really antimonopoly so much as it is antibigness.

There is an urgent need for recognition of the chaotic state of our present laws, and for a willingness to reconsider the purposes and methods of antitrust policy.

I believe that the President of the United States could render an invaluable contribution toward removing a major area of antagonism and misunderstanding between Government and business if he would appoint a broadly constituted commission to study the antitrust laws and recommend to the Congress new standards of antitrust policy designed to meet the radically different problems of the mid-20th century.

GOVERNMENT, INDUSTRY, AND LABOR

Another major source of antagonism between government and business is government's role in labor-management relations. Business has traditionally resented the intrusion of Government into this field, and more recently labor has become almost as sensitive to it. The time has now come when both industry and labor must seriously consider the changes in our society which have radically altered the impact of labor-management decisions.

Government is concerned both with labor peace, and with the broader question of the effect of wage and price decisions on the economy. Its activities, therefore, involve efforts, first, to secure a settlement of disputes without work stoppages which would seriously damage the Nation; and second, to influence the terms of such a settlement so that they are in accord with broad economic policy objectives. These two types of governmental intervention raise entirely different problems.

Secretary of Labor Wirtz has rightly concluded that "public tolerance for strikes is diminishing rapidly." He further stated: "It is more frequently true now, than it used to be, that a shutdown will hurt the public badly before it hurts one party to it or the other enough that someone has to cry 'uncle'." [2]

A far-sighted labor leader predicts: "If it becomes impossible to seal off an area of dispute, then government must exercise its sovereignty in the interest of the whole." [3]

Under existing laws, after the parties have bargained without settlement, after the dispute has been mediated without success, after a strike has been enjoined while tempers cool and the facts of the dispute are determined and aired—if after all this, no settlement has been reached—we have no means to prevent a strike or lockout.

What would be our response to a strike by a single union that would stop all rail or truck or air transportation overnight? How long could we last before we faced acute shortages of food and fuel and raw materials? Before plants closed down? Before all construction stopped? Do we not need a new law to give the President a wider range of alternatives in dealing with critical labor disputes that affect our welfare and security? Have we not reached the point where, if all else fails to resolve such disputes, one of the weapons available must be binding arbitration of the issues?

Industry and labor could still insure primary reliance on the private decisionmaking process. They can do so by a more imaginative effort to prevent their problems from reaching the stage that necessitates governmental intervention.

Entirely different issues are presented by the Government's concern over the broader effects upon the Nation's economy of wage and price decisions in basic industries. This issue may arise in labor-management disputes over wages, or in management decisions on prices.

Government must not lose sight of the fact that we have no standards other than opinion as to what wage and price policies best serve the Nation's economic interests. These are matters on which capable men differ widely, and on which we now have no means to arrive at even a definitive consensus, much less ultimate truth. I submit that for this reason the intervention of the Government to affect decisions on wages and prices, and not the fact of settlement, must remain for the foreseeable future a matter of persuasion only, and not of compulsion.

But to reject compulsion should not preclude an interest by government in the negotiation between management and labor over wages. Neither should it preclude an interest by government in price decisions in basic industries.

There is a need for government, business, and labor to create a mechanism for consultation in an effort to reach a consensus on wage and price policies in a calm atmosphere rather than one of crisis. The impact of such decisions on our own economy, and perhaps more urgently, on our ability to compete in world markets, is constantly enlarging the common interest in this area.

[2] Address before the National Academy of Arbitrators, Chicago, Ill., Feb. 1, 1963.

[3] Joseph A. Beirne, "New Horizons for American Labor" (Washington, D.C., 1962), p. 17.

THE BASIS FOR COOPERATION

There is every reason to believe that businessmen and public officials can find a meeting ground of mutual purpose. In their contacts, both the government official and the businessman will usually find the other to be a man of integrity and dedication. But more than this, each will find a high percentage of extremely competent individuals in both government and business—with no greater proportion of political hacks than of corporate nephews and cousins.

THE FINAL TEST

In all our efforts to overcome the attitudes and antagonisms of the past, and to forge new, more constructive relationships between government and business, we must recognize that our success or failure would matter very little, were these but petty arguments among ourselves, affecting only the transient efficiency of our economy. Even their setting in a time of economic and military competition with other nations imparts to our problems no cosmic significance. We have given them meaning because of the rules we have imposed upon ourselves, because of the standards by which we choose to judge success.

We have dedicated this Nation not only to being prosperous and powerful, but to being free. We have chosen a democratic society, seeking first the blessings of liberty. We have committed ourselves to the belief that the common good can be achieved without resort to dictation by government.

Our real challenge is whether such a society can, through voluntary restraint and reason, reconcile private and public interests without resort to the harsh restrictions and compulsions of an alien ideology.

Our argument with communism is not over the organization of the means of production, but over the worth and dignity of man. We would have him unfettered, to create, to experiment, to improvise—certain that only thus will we realize the full measure of our potential.

It is this contest the world watches. It is this contest which we can win, but only as free men working together to demonstrate to all mankind that this Nation, so conceived and so dedicated, can indeed endure.

FLORIDA YANKEE SPARKS QUIET LATIN REVOLUTION

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by James Russell, business editor of the Miami Herald. This article clearly demonstrates the fallacy of the arguments of those who claim that the economic rehabilitation of Latin America is a hopeless cause.

Furthermore, it clearly demonstrates the great good which can be accomplished in this field by individual initiative and private enterprise. These American virtues which helped to build this country and make it strong are not passé, contrary to much that we hear on the subject.

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

[From the Miami (Fla.) Herald, Feb. 10, 1963]

BATTLING INFLATION TO CREATE HOMES—FLORIDA YANKEE SPARKS QUIET LATIN REVOLUTION

(By James Russell)

The slow-moving Alliance for Progress might learn a lesson from a virtually unheralded U.S. advisory program that, in less than 5 years, has changed the spending

and saving habits of thousands of people in Chile.

But more than that, it has helped arrest one of the wildest inflations in the Western Hemisphere and has made homeowners of Latin Americans who previously had little or no hope of ever owning the place they lived in.

No U.S. Government bureaucrat engineered this feat. Practically the whole program is the brainchild and the achievement of an outspoken Miami Beach savings and loan executive who takes a curious delight in pursuing ambitious projects that pay him nothing more than standard Government consultants' fees.

The Yankee sparkplug of Chile's new savings and loan system is Arthur Courshon, 41, a World War II bomber pilot who is chairman of the board of directors of Washington Federal Savings & Loan Association.

This impressive title would suggest that Courshon spends all his working hours in the big cushioned chair of his paneled office on Miami Beach or in a board room conferring about lofty economic matters.

Instead, much of his time is spent touring Latin American countries, writing voluminous reports for congressional committees, and serving on such unlikely boards as the Sam Rayburn Foundation and the St. Augustine Quadricentennial Commission—to which President Kennedy recently named him.

But Courshon's pet project is the Chilean savings and loan system. He started it in 1958, acting as technical adviser to the U.S. Operations Mission in Santiago.

What he found on his first trip to Chile would have discouraged many a man, however noble his purpose.

"Chile was still in the grip of a runaway inflation," Courshon wrote in a report to a Senate subcommittee. "It destroyed any incentive on the part of the people to save in Chilean currency and destroyed any business incentive to make long-term loans for housing or any other purpose."

The average interest rate then, on a 1-year loan, was 17 percent a year, of which 11 percent was aimed at covering the erosion of the currency by inflation. Houses just weren't being built. Nobody could borrow money on a long-term basis.

Courshon, working with Chileans, devised a plan that tied dividend rates on savings and interest rates on home loans to an inflationary index, much in the way some unions in the United States have escalator clauses in wage contracts.

This provided the incentive needed to make Chileans put money in savings accounts, which, in turn, built up a supply of mortgage money for home loans. The plan actually worked—and worked well.

Since its start from scratch less than 5 years ago, 22 savings and loan associations have sprung up in Chile. Last year they loaned out more than $10 million that financed more than 3,100 homes. Some mortgage loans were made for 20 years and interest rates ran around 6 percent—which is what they are in the United States.

It is not the wealthy class that is doing most of the borrowing. The average borrower and home buyer earns less than $200 a month. Through the savings program and other measures, Chile's rampant inflation has slowed to a more respectable level.

Direction of the program was done on the spot by a Washington Federal executive, Marlo Schram, who next month will complete a 2-year stay in the South American Republic. Courshon still shuttles back and forth between Miami and Chile keeping tabs on the project. He also brings Chileans to Miami to train them in U.S. savings and loan techniques. Six of them are doing that very thing here this week.

The program has been no easy task. Courshon had to overcome a traditional Latin mañana (wait until tomorrow) attitude as well as an inflation problem.

He used a method that many an American businessman in Latin America is reluctant to follow for fear of ruffling the Latins' feelings. Courshon is direct, determined, and doesn't mind sacrificing a little tact and diplomacy to get action.

When a Chilean savings and loan official suggested that Chile not be called an underdeveloped country in a Courshon report to Washington, he stood his ground.

"That's a word they understand in Washington," he explained. "If I substituted something else, it might serve the cause of diplomacy, but it wouldn't get my point across to the people who have the authority."

Having proved by deeds that privately financed homeownership is feasible in Chile, Courshon now is urging similar programs for other nations the United States is helping.

His latest comprehensive report to a congressional committee, this one to Senator JOHN SPARKMAN'S Subcommittee on Housing, asks for creation of an International Home Loan Bank that would help create savings and loan firms in other underdeveloped countries of the world.

GOOD CITIZENSHIP GOLD MEDAL AWARDED TO DR. FREDERICK BROWN HARRIS

Mr. MORSE. Mr. President, as a member of the Sons of the American Revolution, I am much pleased to announce to the Senate that this year the Philadelphia-Continental Chapter of the Sons of the American Revolution awarded to the Chaplain of the Senate, Dr. Frederick Brown Harris, the annual gold Good Citizenship Medal.

I am sure every Member of the Senate will share my pleasure in making this announcement, because I think there is no question about the fact that the Chaplain is truly beloved by all Members of the Senate.

I ask unanimous consent that a letter to Dr. Harris from Earl M. Richards, president of the Philadelphia-Continental Chapter of the Sons of the American Revolution, dated November 28, 1962, be printed at this point in the RECORD.

It is this letter that announces the plan that the Philadelphia-Continental Chapter is to make the award of the gold Good Citizenship Medal to Reverend Harris.

I ask unanimous consent to have printed in the RECORD a statement of the citation from the chapter setting forth the reasons for selecting Dr. Harris as the recipient of the award, dated February 23, 1963.

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

PHILADELPHIA-CONTINENTAL CHAPTER,
SONS OF THE AMERICAN REVOLUTION,
Philadelphia, Pa., November 28, 1962.

Dr. FREDERICK BROWN HARRIS,
Chaplain, U.S. Senate, The Westchester, Washington, D.C.

DEAR DR. HARRIS: As you probably know, the Sons of the American Revolution is composed of men whose forefathers fought and died to make our country free. Our chapter, the Philadelphia-Continental Chapter, is located at the spot where the Declaration of Independence was signed, the Constitution was written, the first Capital of the United States—Philadelphia.

The outstanding event of the year of our chapter is our Washington's Birthday luncheon. On this occasion it has been our privilege to have as our guest speaker an American citizen who has rendered an outstanding service to our country in protecting the liberty so dearly won by our forefathers. At this time we present the speaker with our gold Good Citizenship Medal.

This medal has been presented to President Hoover, General Bradley, and General Patton, Admiral Byrd, and Admiral Halsey, to mention only a few.

For our luncheon scheduled for Saturday, February 23, our chapter has instructed me, as the newly elected president, to ask you to be that speaker and, in turn, to present you with the medal.

If you can arrange to be with us we would appreciate it if you would advise us promptly so that we can make the appropriate preparations.

Sincerely yours,

EARL M. RICHARDS,
President.

PHILADELPHIA, PA.,
February 23, 1963.

Dr. FREDERICK BROWN HARRIS,
Chaplain of the Senate of the United States:

Under authority granted me by the board of management of the Philadelphia-Continental Chapter of the American Revolution, it is my privilege to present to you our highest award, our gold Good Citizenship Medal. We do this in recognition of the following:

1. Your outstanding service for 18 years as the spiritual leader of one of the most distinguished legislative bodies in the world—the Senate of the United States of America.

2. Your leadership and participation in furthering the word of God.

3. Your prominence as a lecturer and an author as exemplified by the four volumes of prayers published as an official document of the Senate and by your syndicated newspaper column "Spires of the Spirit."

4. Your deeds that brought international recognition such as when President Eisenhower chose you as his special representative at the inauguration of Syngman Rhee in Korea and as when the three leading political parties in Great Britain gave a luncheon in your honor at the House of Commons.

5. "Your significant utterances on freedom" for which you have been accorded the unusual honor of six awards from the Freedoms Foundation of Valley Forge.

6. Your immeasurable contributions and untiring efforts toward furthering the principles upon which our Nation was founded. Your deeds and actions are outstanding examples of the objectives of this society, which is dedicated to the purpose of perpetuating and inspiring the active practice and demonstration of those ideals and principles which influenced and guided the founders of this Republic and upon which the future of our Nation depends.

With this Good Citizenship Medal we bestow upon you our admiration and esteem and through it we express tangibly our regard for the outstanding quality of your citizenship.

EARL M. RICHARDS,
President, Philadelphia-Continental Chapter, Sons of the American Revolution.

REPORTS OF ACQUIRING BY FRENCH GOVERNMENT OF U.S. OBLIGATIONS PAYABLE IN GOLD

Mr. MORSE. Mr. President, several days ago I placed in the CONGRESSIONAL RECORD an inquiry I had sent to Treasury Secretary Dillon concerning reports that the French Government was acquiring

U.S. obligations for which it could demand payment in gold.

I have now received a reply from Secretary Dillon, and I ask unanimous consent to have it printed in the RECORD at this point, together with the article by Charles Coombs, of the New York Federal Reserve Bank, to which Mr. Dillon's letter makes reference.

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

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 26, 1963.

The Honorable WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR WAYNE: In answer to the questions in your letter of February 14, in which you refer to news reports of increasing French holdings of U.S. Government securities and of French efforts to encourage demands on our gold reserves, I am happy to give you the facts.

As a consequence of French balance of payments surpluses in recent years, French reserves have risen to $3,744 million, of which $2,626 million is in gold and $1,118 million in foreign exchange, mostly in dollars. In turn, as is the case with virtually all foreign governmental and central bank holdings of dollars, the French holdings are almost entirely invested in short-term Treasury securities. These U.S. Government obligations give foreign governments both the liquidity they need for their reserves and some earnings in the form of interest.

These French holdings of dollar claims can be converted into gold for legitimate monetary purposes, as can those of other governments and central banks. This readiness of the U.S. Government to back its international obligations with gold, which has long been established policy and has been reaffirmed without qualification by President Kennedy, is the basis for the position of the dollar as the leading reserve currency of the international financial mechanism.

This special position of the dollar has been recognized by the major countries of the free world, and they have shown themselves ready and willing to help maintain the soundness of the gold-exchange system of international payments. France, like the other major countries, has played a full and responsible part in making this system work. Despite rumors and reports, every indication we have had is that the French will continue to do so.

In 1962, it should be noted, the French balance-of-payments surplus was about $1.3 billion. With these funds, France made debt prepayments to the U.S. Government totaling $470 million, converted $460 million into gold, and added $205 million to foreign exchange reserves. The remainder was used largely to prepay outstanding indebtedness to Canada and the World Bank.

At the time of the most recent French debt prepayment to the United States last December, in the amount of about $117 million, I noted our appreciation for that action and stated my view that France was again demonstrating acceptance of its responsibilities as a creditor country and further evidencing the spirit of international financial cooperation among the major nations of the free world which is contributing so much to the strengthening of the free world's international financial system. That statement is equally as valid today.

While the basic problem posed by the accumulation of claims on our gold stock in the hands of foreigners cannot be fully resolved until our balance of payments is freed from the persistent deficits of the past few years, the U.S. Government, in cooperation with the governments and central banks of other nations having convertible currencies, has put into effect a number of arrangements to deal with the effects of short-term flows of capital, any speculative disruptions in the market, or other events that might possibly lead to sudden calls on our gold stock. I believe you will find that these arrangements, which have been discussed in the enclosed article by Mr. Coombs of the New York Federal Reserve Bank, constitute an impressive bulwark to defend the dollar, as well as other currencies.

With best wishes.

Sincerely,

DOUGLAS DILLON.

[From Federal Reserve Bulletin, September 1962]

TREASURY AND FEDERAL RESERVE FOREIGN EXCHANGE OPERATIONS

(NOTE.—This joint interim report reflects the Treasury-Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations. This report was prepared by Charles A. Coombs, vice president in charge of the foreign department of the New York Reserve Bank. It covers the period March 1961–August 1962.)

The resumption of foreign exchange operations by the U.S. Treasury in March 1961 and by the Federal Reserve System in February 1962 has been part of a cooperative effort by Treasuries and central banks on both sides of the Atlantic to create a first line of defense against disorderly speculation in the foreign exchange markets. Recognizing that the dollar is the cornerstone of the entire international currency system, this cooperative effort has mainly taken the form of arrangements between the United States and other leading industrial countries adapted to the special needs of the countries involved. Continuous, close consultation among all of the Treasuries and central banks concerned has avoided any conflicts of policy or operations within the group as a whole.

BACKGROUND TO OPERATIONS

Under fair weather conditions, speculation can and does play a highly useful role in the foreign exchange market by helping to correct temporary deviations of spot and forward rates from the levels appropriate to underlying payment trends. Thus a decline in the spot or forward rate of one currency resulting from a temporary market imbalance may stimulate new demand for that currency by alert traders expecting a rebound in the rates.

On the other hand, when the exchange markets become seriously unsettled by political or economic uncertainties, normally beneficial speculation may quickly become transformed into a perverse, and sometimes even sinister, force. The latter type of speculation may be motivated, on the one hand, either by a natural desire to protect capital values or, on the other hand, by the prospect of a quick capital gain. In such periods of market anxiety, abrupt declines in the spot or forward rate for a given currency may take on a grossly exaggerated significance, the exchange market may become a prey of purely imaginary fears, and selling or buying pressures on the exchanges may quickly acquire cumulative force. Even minor speculative squalls may have disturbing effects upon the normal flow of trade and payments, while very severe attacks have on occasion forced governments into unwanted changes of currency parities.

Official foreign intervention in markets: Although foreign central banks have for many years intervened in their foreign exchange markets to protect their currencies against speculative disturbances, the United States had refrained from such operations from the end of World War II until early 1961. This difference of approach goes back to the Bretton Woods Agreements. Under the Articles of Agreement of the International Monetary Fund, member countries agreed to establish par values for their currencies in terms of gold or the U.S. dollar and to limit fluctuations in their exchange rates to no more than 1 percent above or below the par value. In many cases, foreign countries have fulfilled their obligation to the International Monetary Fund by purchasing or selling U.S. dollars against their own currencies in order to keeep their exchange rates from rising above the "ceiling" or falling below the "floor." Foreign central banks may also operate in the exchange markets between the margins, and many central banks do so to prevent sharp movements in the rates. As the exchange rate moves upward (or downward) a country may buy (or sell) dollars against its currency to slow the rate movement, or even to halt it completely at some point within the official margins. Such purchases and sales, by ironing out sharp fluctuations in rates, help to maintain orderly conditions in the exchange markets, thereby facilitate the flow of trade and payments and contribute materially to the maintenance of confidence in currencies.

Foreign official intervention on the exchanges is generally conducted through purchases and sale of U.S. dollars, the principal reserve currency. Such exchange intervention results in changes in official holdings of dollars, increasing them when the demand for the foreign currency is strong and reducing them when demand is weak. Most major countries hold only a part of their reserves in dollars—sometimes a very small part; the rest are held mainly in gold. If exchange intervention is undertaken on a large scale, such countries may acquire more dollars than they wish to hold; if so, they will convert their excess dollars into gold. Conversely they may have to sell gold to acquire the dollars necessary for support operations.

Role of dollar convertibility into gold: The willingness of foreign central banks to acquire and hold dollars as part of their reserves depends on the assured convertibility of such dollars into gold at a fixed price. As part of the Bretton Woods system, this assurance is provided by the United States, which undertakes to maintain a fixed par value for the dollar by standing ready to buy or sell gold against dollars at a fixed price of $35 per ounce in whatever amounts may be requested by foreign monetary authorities. This system of defining and maintaining the parity of the dollar in terms of gold, while the parities of other currencies are maintained by buying and selling dollars, has greatly encouraged the development of an international gold exchange standard. Under this system the United States serves as banker for the dollar exchange reserves, now more than $11 billion, of 82 countries throughout the world.

As banker for the international currency system, the role of the United States until recent years has been largely passive. Although foreign central banks resisted declines in their currency rates toward their floors, they had no obligation or incentive to resist similar declines in the dollar against their own currencies. As the dollar came under pressure from time to time in world exchange markets, the dollar rate therefore tended to slip to the floor. At this point foreign central banks would then fulfill their obligation to take the surplus supply of dollars off the market. If they wished, they would then convert part or all of these dollars into gold.

Currency crisis of 1960: This passive stance by the United States, in which both the rates for the dollar against foreign currencies and the accumulation of dollar reserves by foreign central banks were left entirely to market forces, and to the unilateral decisions of foreign monetary authorities, gave rise to no serious problems

for many years after the war. By 1960, however, successive U.S. balance-of-payments deficits had brought about both heavy gold losses and sizable increases in our dollar liabilities to foreigners. At this point, the dollar became subject to rumors of impending changes in U.S. international financial policy, with widespread doubts developing abroad as to whether the U.S. Government could and would maintain the $35 price for gold.

The resultant wave of speculation against the dollar was effectively stemmed in early 1961 by a Presidential pledge to maintain the gold price, to make our entire gold reserve available to defend the dollar, and, if necessary, to draw upon the IMF as a supplementary source of reserves. Most fundamental of all, of course, was announcement of action to correct the balance-of-payments deficit, and this program has subsequently shown gradual but solid results.

Effects of revaluation of mark and guilder: Meanwhile, the recovery of confidence in the dollar remained vulnerable to sudden shocks, and these were not long in coming. On the weekend of March 4, 1961, the German Government announced the upward revaluation of the mark by 5 percent. Shortly after that the Netherlands Government announced a similar change in the guilder parity.

However, effective these moves may ultimately prove to be as a contribution to international balance of payments equilibrium, their immediate effect was a shattering blow to market confidence in the system of fixed currency parities. All major currencies immediately became labeled as candidates for either revaluation or devaluation, and an unparalleled flood of speculative funds swept across the exchanges.

Speculation on a revaluation of the Swiss franc became particularly intense, with the result that more than $300 million flowed into that country in 4 days. Most of the dollars acquired by the Swiss National Bank and other continental financial centers were the counterpart of a major speculative attack on sterling, with the Bank of England suffering heavy reserve losses.

At this critical juncture, the central bank governors attending the monthly meeting of the Bank for International Settlements in Basle announced that their central banks were cooperating in the exchange markets. The scale of this cooperation in credits to the Bank of England reached a total of more than $900 million and played a vital role in providing a breathing space during which more fundamental measures could be taken by the British Government.

TREASURY INTERVENTION IN THE MARKET

Although the dollar emerged relatively unscathed from the first speculative attacks, the massive reshuffling of foreign-owned funds resulted in heavy accumulations of dollars by certain foreign central banks, with the possible consequence of sizable drains upon U.S. gold reserves. Anticipations of a second revaluation of the German mark generated a continuing heavy flow of funds to Frankfurt, with the result that the dollar reserves of the German Federal Bank rose to $4.1 billion by March 31 as compared with its gold reserves of $3.2 billion.

Operations in German marks: The disruptive effect of such speculation on the normal flow of German trade and payments was reflected in a scramble by non-Germans with contractual liabilities in marks to anticipate their requirements. Meanwhile German residents sought to hedge against contracts payable to them in dollars or other foreign currencies. The forward exchange market could hardly cope with such an abrupt swing in expectations, with the result that the premium on the forward mark or, viewed the other way, the discount on the forward dollar, rose to nearly 4 percent. At that exaggerated level it tended to reinforce expectations of a further revaluation of the mark.

The limited availability of forward cover, even at such expensive rates, diverted commercial hedging demands into foreign purchases of spot marks to cover future mark contracts and German borrowing of dollars, both in New York and in the Euro-dollar market, as a hedge against dollar receivables. The resultant shift of the leads and lags in commercial payments against the dollar and in favor of the mark created a potentially dangerous situation. This situation became the subject of conversations on Friday, March 10, 1961, among officials of the German Federal Bank, Federal Reserve Bank of New York, and U.S. Treasury. There emerged the decision to undertake on the following Monday, March 13, forward sales of marks in the New York market by the New York Federal Reserve Bank as agent of the U.S. Treasury, with the dual objective of providing an ample supply of forward marks as an alternative to anticipatory purchases of spot marks by foreigners and dollar borrowing by Germans, and in the process, of driving down the forward premium on the mark as closely as possible to the 1 percent level.

These forward sales of marks by the U.S. Treasury were undertaken under a parallel arrangement, generously suggested by the German Federal Bank, which agreed to supply the U.S. Treasury with marks (should they be needed), at the time the contracts matured, at the same rate as that at which the marks had been sold by the U.S. Treasury. In effect, the U.S. Treasury's forward commitments were entirely protected against any risk of loss. Forward operations undertaken under this arrangement were later supplemented by forward sales by the U.S. Treasury on the basis of $100 million equivalent of German marks obtained by the United States under the $587 million German debt repayment in April 1961.

Table 1 illustrates the scope and pattern of the Treasury's forward mark operations. From March 13 to the end of the month, the Treasury forcefully resisted the speculative inflow to Germany by selling over $118 million equivalent of marks for delivery in 3 months. Market demand for forward marks then gradually declined, perhaps partly owing to the reassuring effect of official operations on so sizable a scale. But by mid-June the outstanding forward mark commitments of the U.S. Treasury had risen to $340 million.

TABLE 1.—*Treasury forward operations in German marks, March–December 1961*

[Dollar equivalent, in millions]

Month	Future commitments (beginning of month)	New sales (during month)	Maturing contracts not renewed (during month)	Future commitments (end of month)	Premium on 3-month forward mark (percent per annum, end of month)
March	----------	118.7	----------	118.7	1.47
April	118.7	104.4	----------	223.1	1.59
May	223.1	78.4	----------	301.5	1.39
June	301.5	52.8	−86.5	267.8	2.21
July	267.8	32.9	−98.1	202.6	1.45
August	202.6	12.7	−89.3	126.0	1.02
September	126.0	.3	−76.6	49.7	.88
October	49.7	----------	−35.5	14.2	.76
November	14.2	----------	−14.0	.2	.80
December	.2	----------	−.2	----------	1.04

As the first of the forward contracts began to mature, the tide turned and the spot dollar rate gradually rose off the floor to which it had been pinned for many months. The improvement in the spot dollar rate was attributable in part to a market demand for dollars required to pay the U.S. Treasury for the forward mark purchases previously contracted for. Coordinated intervention by the German Federal Bank and the U.S. Treasury in the spot mark market also helped to strengthen the dollar rate.

With the crisis of confidence more or less weathered, it seemed desirable to allow the forward premium on the mark to rise somewhat, thereby increasing the cost of forward cover and further dampening commercial hedging demand. As a consequence, the Treasury's outstanding balance of the forward mark commitments declined rapidly after mid-June as the daily rate of new sales fell far below maturing contracts. In September, in a market also strongly influenced by the Berlin crisis, forward sales were discontinued entirely as a normal flow of forward marks from private sources reappeared. By early December the Treasury's forward mark commitments had been fully liquidated.

By thus offsetting a large-scale flow of speculative funds that proved to be reversible within 9 months, the U.S. Treasury operations in forward marks clearly helped both the United States and Germany. The short-term capital outflow from the United States was held down, and the U.S. payments deficit thereby reduced, while the German Federal Bank could restrain its dollar accumulations from becoming too large and also prevent the German money market from being flooded with a heavy volume of liquid funds. More generally, the forward mark operation apparently calmed a badly shaken exchange market, which needed time and the assurance of intergovernmental cooperation to recover confidence.

As previously mentioned, the U.S. Treasury had acquired, in April 1961, $100 million in marks as part of a German Government debt payment totaling $587 million. While about half of this mark balance was used to settle forward contracts maturing in the fall of 1961, the remainder was converted into dollars in September to make final payment to the U.S. lending agencies concerned.

The experience with the forward mark operation had proved sufficiently encouraging, however, to suggest that the U.S. Treasury might usefully acquire moderate amounts of spot marks when that currency temporarily weakened late in 1961. These mark acquisitions by the U.S. Treasury reached a total of approximately $55 million equivalent and have been employed in several operations during the first half of 1962 to support the dollar rate during periods of temporary pressure. These operations have not only proved useful in producing the desired firming of the dollar rate but have also proved reversible. Later strengthening of the dollar rate has permitted replenishment of earlier drafts on the Treasury's mark balances.

Operations in Swiss francs: The second major exchange operation initiated by the U.S. Treasury during 1961 was in forward

Swiss francs. The March 1961 revaluations of the German mark and Dutch guilder resulted in a burst of speculation on a similar revaluation of the Swiss franc and a heavy flow of short-term speculative funds to Switzerland. This influx created a serious problem of excessive liquidity on the Swiss money market while also raising the dollar exchange reserves of the Swiss National Bank far above traditional levels.

These dollar acquisitions by the Swiss National Bank could have been converted immediately into gold by purchases from the U.S. Treasury. But in the interests of international financial cooperation, the Swiss National Bank refrained from effecting such conversions in order to loan back to the Bank of England a large proportion of the dollar inflow to Switzerland.

There was in near prospect, however, the likelihood of a massive British Government drawing from the International Monetary Fund which would result in a liquidation of the short-term credits received by the Bank of England from the Swiss National Bank and other European central banks. Accordingly, the Swiss National Bank seemed likely to convert large amounts of surplus dollar holdings into gold unless some means could be found to stimulate an outflow of private funds from Switzerland.

The basic obstacle to such an outflow of private funds from Switzerland came from the lingering fears and hopes of many private individuals that the Swiss franc would somehow or other provide a safer haven than other currencies against a wide range of political, military, and financial risks. But it had become quite clear to both Swiss and U.S. central bank officials that the hot money inflow into Switzerland was disguising a significant deterioration in the basic balance of payments of Switzerland and that, when some recovery of confidence in currency parities reappeared, a cessation of this hot money inflow would result in a strengthening of the dollar against the Swiss franc and in drains on the gold and dollar reserves of the Swiss National Bank. Thus, the piling up of hot money in Swiss commercial banks was essentially a temporary, reversible phenomenon that might properly be dealt with by compensatory action by the two central banks concerned.

After extensive discussions among officials of the U.S. Treasury, the New York Federal Reserve Bank, and the Swiss National Bank, it appeared that a useful start could be made in offsetting such temporary inflows of hot money by providing adequate incentives to the reexport of private investment funds from Switzerland on a hedged, or covered, basis. Partly because of speculative fears or hopes of a revaluation of the Swiss franc, the premium on the forward Swiss franc had risen to roughly 1⅞ percent at which levels it was prohibitively costly to cover short-term placements in New York, London, or other financial markets abroad.

Consequently, in July 1961 the U.S. Treasury agreed to supply through the agency of the Swiss National Bank forward Swiss francs to the market at rates sufficiently attractive to induce the Swiss commercial banks and other short-term investors to move funds into the dollar market. These forward operations were begun in a limited, experimental fashion on the basis of relatively small Swiss franc balances previously acquired by the U.S. Treasury.

With the emergence of the Berlin crisis in August 1961, however, the problem was complicated by a renewed flow of hot money to Switzerland, and the Treasury accordingly enlarged the scope of its forward operations. To provide a broader base for such operations, the Swiss National Bank agreed to provide a sizable line of credit in Swiss francs to the U.S. Treasury which could be drawn upon by issuance of 3-month certificates of indebtedness carrying a rate of 1¼ percent and denominated in Swiss francs. As the Treasury's forward commitments rose rapidly, it availed itself of its drawing rights to the extent of 200 million Swiss francs ($46 million equivalent) in October 1961. By the end of November the Treasury's forward sales had reached $152.5 million equivalent, which meant a roughly corresponding reduction in the dollar reserves of the Swiss National Bank and in Swiss gold purchases from the U.S. Treasury.

During December the Treasury's forward commitments declined somewhat ($15 million of maturing contracts were paid off by the Treasury rather than renewed). This happened largely because Swiss commercial banks wanted to increase their franc assets for yearend window dressing. New contracts of $9 million equivalent were undertaken at the end of January 1962. And in January and February all contracts were rolled over at maturity, so that by the end of February the Treasury's outstanding forward franc market commitments amounted to $146.5 million equivalent.

In February 1962 the Swiss franc began to weaken, as had been expected with Switzerland's large current-account deficit and the tapering off of the short-term capital inflow. In these circumstances, the Swiss National Bank had to supply dollars to the market and, by the end of May, the New York Federal Reserve Bank as agent of the U.S. Treasury had sold $139 million to the Swiss National Bank.

If the U.S. Treasury had elected to meet these dollar requirements of the Swiss National Bank by accepting Swiss francs in payment, the resultant increase in the Treasury's franc balances would have been adequate to liquidate nearly all of the forward Swiss franc market contracts outstanding. But a rapid liquidation of these forward contracts would have tended to recreate too much liquidity on the Swiss money market. Accordingly, the Swiss National Bank suggested that the U.S. Treasury might accept gold rather than Swiss francs in payment of part of the Swiss dollar requirements. Swiss gold sales to the U.S. Treasury amounted to $74 million. The remaining $65 million required by the Swiss were paid for in Swiss francs.

The Swiss franc balances were gradually used to liquidate $55 million of maturing forward contracts, which by the end of May 1961 were less than $91.5 million equivalent outstanding. The $46 million certificates of indebtedness issued to the Swiss National Bank in the autumn of 1961 were also fully liquidated, as the Treasury found its forward position could be sustained on a smaller cash reserve. In effect, the program of forward sales of Swiss francs, initiated by the U.S. Treasury in July 1961, proved to be a self-liquidating operation, as the swing developing in the Swiss payments position would have permitted nearly complete liquidation of the forward operation within a matter of 10 months. And the forward operations helped both the United States and Switzerland by damping U.S. gold losses from speculative money movements while relieving the Swiss market of too much liquidity.

Unfortunately the pendulum began to swing back. During the latter part of May 1962, capital funds again flowed to Switzerland in response to speculation caused by the Canadian devaluation and by the subsequent sharp decline of the New York stock market. But meanwhile, the financial resources and market techniques available to the U.S. Government had been strongly reinforced by the entrance of the Federal Reserve System into the foreign exchange field. As subsequently outlined, a coordinated program involving the U.S. Treasury, the Federal Reserve System, and the Swiss National Bank succeeded in minimizing the impact of potentially dangerous speculative pressures.

Operations in Netherlands guilders: After the revaluation of the Netherlands guilder on March 7, 1961, the premium on the 3-month forward guilder rose to well over 2 percent and remained there until the end of April. The premium encouraged a further inflow of short-term funds into the Netherlands and deterred any covered outflow.

In this context, early in May the United States and Netherlands authorities discussed whether the United States should intervene in the forward guilder market to reduce the guilder premium to levels more consistent with interest rates on dollar and guilder investments. These discussions between the United States and Netherlands authorities produced their first tangible results in July, when the Netherlands Bank, whose dollar reserves were to be depleted by a large British IMF guilder drawing (for conversion into dollars) in August, agreed to sell spot guilders to the United States and to provide for U.S. investment of these guilders in Dutch Treasury bills. It was agreed that it would be useful for the Treasury to acquire modest guilder balances for possible use in exchange operations in the future. Accordingly, the Netherlands Bank sold $15 million equivalent of guilders to the U.S. Treasury during September.

As expectations of another revaluation of the guilder withered away, the forward guilder premium declined to more normal levels. But toward the end of 1961, rumors questioning the stability of exchange parities and the beginning of continental commercial bank repatriations of funds for yearend window-dressing operations induced a renewed rise in both spot and forward guilder rates. By December 20 the premium on the 3-month forward guilder was again over 2 percent (though moving erratically) and was clearly out of line with comparative interest rates.

Although the premium declined somewhat after the turn of the year, the U.S. Treasury concluded that it might usefully test the market by a small offering of forward guilders which might succeed in nudging the rate down to a more normal level. After further negotiations it was agreed that the Netherlands Bank would sell forward guilders in the market for the Treasury's account.

The sales were first made in January 1962 and reached $20.8 million equivalent by early February. As the availability of forward cover stimulated Netherlands investment demand for short-term placements in New York and other financial markets, the spot guilder rate weakened to about par and, in the process, enabled the U.S. Treasury to acquire more spot guilders from the Netherlands Bank against dollars.

The forward operations were terminated on February 13 as the Netherlands money market had become less liquid, and the U.S. Treasury later liquidated each contract at maturity. The remaining guilder balances of the U.S. Treasury were used to intervene occasionally in the market to slow down a strong rise of the guilder spot rate during the spring months as a result of a tightening of liquidity in the Netherlands financial market. Also a sizable foreign exchange inflow was expected as a result of the Philips Lamp stock issue.

Operations in Italian lire: A continuing surplus in Italy's balance of payments has made the Italian lira one of the strongest continental currencies. From mid-April 1961 until the present the lira has usually remained at its upper limit against the dollar.

In these circumstances, in late 1961 discussions began on the possibility of U.S. Treasury operations in the lira market. In January 1962 it was agreed that the Treasury would take over a substantial block of forward lire contracts from the Italian foreign exchange office and that the Bank of Italy would simultaneously extend to the Treasury

a $150 million line of credit in lire to support such spot as well as forward operations in lire as might appear desirable.

The Treasury made the first drawing on this line of credit on January 26, 1962, when it issued a 3-month certificate of indebtedness for the equivalent of $25 million in lire. It made a second drawing of $50 million in March, and a third drawing of $75 million in August.

Both spot and forward operations by the U.S. Treasury in lire are continuing and have lessened the accumulation of dollar reserves during the recent seasonal inflows to Italy.

BEGINNING OF FEDERAL RESERVE OPERATIONS

While the exchange operations undertaken by the Treasury with the limited resources of its Stabilization Fund had yielded encouraging results, Federal Reserve officials—with the full concurrence of the Treasury—considered whether it might not also be desirable to reactivate Federal Reserve exchange operations. After many months' study, the Federal Open Market Committee on February 13, 1962, authorized open market transactions in foreign currencies.[1]

Currencies involved: Under this authorization, the special manager of the open market account for foreign currency operations received committee approval to inaugurate operations by purchasing from the stabilization fund at market rates the following foreign currencies in order to open accounts with the central banks responsible for these currencies and develop procedures for future operations (table 2).

TABLE 2.—*Federal Reserve purchases of foreign currencies from the U.S. Treasury*

Currency	Dollar equivalent (in millions)
German marks	32.0
Swiss francs	.5
Netherlands guilders	.5
Italian lire	.5

Accounts had previously been opened, and maintained for some years with more or less nominal balances, with the central banks of Canada, Great Britain, and France.

With the authorization of the Committee, the special manager proceeded to negotiate a series of reciprocal credit, or swap, facilities with seven foreign central banks and with the Bank for International Settlements. The amounts and dates of these swap arrangements are shown in table 3.

TABLE 3.—*Federal Reserve reciprocal currency agreements*

Other party to agreement	Amount (in millions of dollars)	Term (in months)	Date (of original agreement)
			1962
Bank of France	50	3	Mar. 1
Bank of England	50	3	May 31
Netherlands Bank	50	3	June 14
National Bank of Belgium	50	6	June 20
Bank of Canada	250	3	[1]June 26
Bank for International Settlements [2]	100	3	July 16
Swiss National Bank	100	3	July 16
German Federal Bank	50	3	Aug. 2
Total for all banks	700		

[1] Announced on Sunday, June 25.
[2] In Swiss francs.

Mechanics of swap arrangements: The details of the swap arrangements varied somewhat from agreement to agreement, reflecting differing institutional arrangements and operational procedures among the central banks. However, certain general principles ran throughout all of the agreements. They may be summarized as follows:

1. A swap constitutes a reciprocal credit facility under which a central bank agrees to exchange on request its own currency for the currency of the other party up to a maximum amount over a limited period of time, such as 3 months or 6 months.

2. If such a standby swap between the Federal Reserve and the Bank of England, for example, were to be drawn upon by the Federal Reserve, the Federal Reserve would credit the dollar account of the Bank of England with $50 million at a rate of, say, $2.80 to the pound while obtaining in exchange a credit on the books of the Bank of England of about £18 million. Both parties would agree to reverse the transaction on a specified date, say, within 3 months, at the same rate of exchange, thus providing each with forward cover against the remote risk of a devaluation of either currency.

3. The foreign currency obtained by each party as a result of such cross credits to each other's accounts would, unless disbursed in exchange operations, be invested in a time deposit or other investment instrument, earning an identical rate of interest of, say, 2 percent and subject to call on 2 days' notice.

4. After consultation with the other, each party would be free to draw upon the foreign currency acquired under the swap to conduct spot transactions or meet forward exchange obligations.

5. Each swap arrangement is renewable upon agreement of both parties.

Use of swaps: Use of these various swap arrangements has followed a varied pattern. The $250 million swap with the Bank of Canada was immediately drawn upon through a cross-crediting of Canadian and U.S. dollars as part of a Canadian stabilization program. The Canadian Government also received financial assistance from the International Monetary Fund, the Export-Import Bank, and the Bank of England.

In the swaps with the Bank of France, the Bank of England, and the National Bank of Belgium, in amounts of $50 million each, the standby facility was immediately drawn upon by the Federal Reserve in order to test communications, investment procedures, and other operational arrangements. In both the French and British swaps, no occasion has arisen for either party to use the proceeds of the swap in exchange operations. Consequently, after one renewal on June 1, the swap with the Bank of France was liquidated in advance of maturity on August 2 and placed on a standby basis. The swap with the Bank of England, which matured on August 30, was similarly placed on a standby basis.

The swaps of $100 million each with the Swiss National Bank and the Bank for International Settlements were negotiated as standby facilities but with anticipation of an early necessity for their use to mop up a speculative flow of hot money to Switzerland in June and early July of 1962. Similarly, a standby swap with the Netherlands Bank has been actively utilized to mop up temporary flows of funds to the Netherlands. Finally, the $50 million swap with the German Federal Bank was negotiated as a standby facility and no drawings have been effected to date.

Swiss francs: As previously noted, the standby swap arrangements of $100 million each negotiated in mid-July by the Federal Reserve with the Swiss National Bank and the Bank for International Settlements anticipated an early drawing on these swaps to mop up surplus dollars taken in by the Swiss National Bank. Under these swap arrangements, the Federal Reserve drew, during July and August, $60 million of Swiss francs under its swap arrangement with the Bank for International Settlements and $50 million equivalent in Swiss francs under the swap with the Swiss National Bank. The total proceeds of $110 million in Swiss francs were immediately employed to buy back an equivalent amount of dollars on the books of the Swiss National Bank.

During the same period, the U.S. Treasury enlarged somewhat its forward operations in Swiss francs and thereby absorbed an additional amount of dollars held by the Swiss National Bank. As a result of these operations, the dollar holdings of the Swiss National Bank were substantially reduced, and the Bank purchased no more than $50 million of gold from the United States during a period of intense speculation following the June decline in the New York and other stock exchanges.

Federal Reserve drawings under the Swiss franc swaps also indirectly served to absorb excess liquidity on the Swiss money market since the Swiss francs supplied under the swap by the Bank for International Settlements came from deposits of Swiss commercial banks. The Swiss National Bank similarly absorbed Swiss francs from the market by various forward operations involving investments by Swiss commercial banks in U.S. Treasury bills on a covered basis. Subsequently, the speculative fever subsided, the dollar strengthened significantly against the Swiss franc, and the Federal Reserve has already begun to acquire Swiss franc balances in anticipation of an eventual liquidation of the drawing under these two swaps.

Netherlands guilders and Belgian francs: Similarly, a heavy influx of funds into the Netherlands following the stock market declines in June was absorbed by drawings upon the Federal Reserve swap with the Netherlands Bank, combined with a resumption of Treasury forward operations in Dutch guilders. Sizable foreign payments for certain special purposes by the Netherlands have since reduced the dollar holdings of the Netherlands Bank and thereby enabled the Federal Reserve to completely repay drawings under the swap, which has now reverted to a standby facility.

Here again, U.S. Government exchange operations have succeeded in dealing with what proved to be a reversible flow of funds and, as a result, the Netherlands Bank refrained entirely from purchases of gold from the United States during this difficult period. Intervention on a small scale in Belgian francs by drafts upon the swap with the National Bank of Belgium has served a similar purpose, with subsequent repurchases of Belgian francs by the Federal Reserve as the dollar strengthened.

Canadian dollars: The $250 million Federal Reserve swap with the Bank of Canada on June 25, 1962, played an important role in a broad program of international financial cooperation designed to reinforce the Canadian Government's efforts to defend the Canadian dollar. Between January 1 and June 25, about $900 million, or 44 percent of Canada's gold and dollar reserves of $2,056 million were swept away by a mounting balance-of-payments deficit which threatened to force the Canadian dollar off its newly established parity. If this had happened, it would have been an extremely serious setback, not only to Canada but to the entire international financial system of fixed parities, and might easily have touched off a worldwide burst of speculation against other currencies, including the U.S. dollar.

In this atmosphere of emergency, a combined program of $1,050 million was put together within 4 days. This included a $300 million Canadian drawing upon the Fund, a $250 million swap between the Federal Reserve and the Bank of Canada, a $100 million credit to the Bank of Canada from the Bank of England, and a $400 million standby credit to the Canadian Government by the Export-Import Bank. Announcement

[1] The text of the authorization appears in the Appendix, pp. 1150–1153.

of financial assistance on this massive scale coupled with a Canadian Government announcement of fiscal and other measures of restraint, immediately broke the speculative wave. Between June 25 and the end of August, Canada recovered more than $500 million of its earlier reserve losses. Once again, the potentialities of central bank and intergovernmental financial cooperation in defending currency parities against essentially reversible flows of speculative funds was demonstrated.

The great bulk of the exchange operations undertaken by the Federal Reserve for its own account have involved transactions directly with foreign central banks, rather than in the exchange market. The foreign central banks have continued their policy of active direct participation in the market, and their activity has been supplemented from time to time by appropriate Treasury operations. The Federal Reserve has not thus far undertaken any forward operations in the exchange markets for its own account. Spot operations in support of the dollar in the markets have so far been limited to moderate sales of German marks, sometimes accompanied by similar sales of marks by the Treasury. These transactions have proved fully reversible, with both the Federal Reserve and Treasury subsequently replenishing their mark holdings as the dollar strengthened.

COORDINATION OF TREASURY AND FEDERAL RESERVE EXCHANGE OPERATIONS

Treasury and Federal Reserve exchange operations are continuously coordinated by frequent telephone communications each day between Treasury and Federal Reserve officials concerned with market operations. At 2:30 p.m. each day the foreign exchange trading desk in the Foreign Department of the Federal Reserve Bank of New York provides a full and detailed report over a Treasury and Federal Reserve telephone conference circuit, of exchange rates, market conditions, and operations undertaken during the day by both the Federal Reserve and the Treasury stabilization fund. The very fact that the special manager of the system account is an officer of the Federal Reserve Bank of New York which also conducts exchange operations on behalf of the Treasury eliminates, insofar as is humanly possible, any risk of an inadvertent clash of operations by the two agencies and greatly facilitates the task of insuring a coordination of both Federal Reserve and Treasury operations with the foreign central banks concerned.

With both agencies pursuing identical policy objectives and employing a single instrument of operations, it has proved possible during recent months to carry out an effective meshing of Federal Reserve and Treasury operations in several European currencies.

APPENDIX

AUTHORIZATION REGARDING OPEN MARKET TRANSACTIONS IN FOREIGN CURRENCIES

Pursuant to section 12A of the Federal Reserve Act and in accordance with section 214.5 of regulation N (as amended) of the Board of Governors of the Federal Reserve System, the Federal Open Market Committee takes the following action governing open market operations incident to the opening and maintenance by the Federal Reserve Bank of New York (hereafter sometimes referred to as the New York bank) of accounts with foreign central banks.

I. ROLE OF FEDERAL RESERVE BANK OF NEW YORK

The New York bank shall execute all transactions pursuant to this authorization (hereafter sometimes referred to as transactions in foreign currencies) for the System open market account, as defined in the regulation of the Federal Open Market Committee.

II. BASIC PURPOSES OF OPERATIONS

The basic purposes of System operations in and holdings of foreign currencies are:

(1) To help safeguard the value of the dollar in international exchange markets;

(2) To aid in making the existing system of international payments more efficient and in avoiding disorderly conditions in exchange markets;

(3) To further monetary cooperation with central banks of other countries maintaining convertible currencies, with the International Monetary Fund, and with other international payments institutions;

(4) Together with these banks and institutions, to help moderate temporary imbalances in international payments that may adversely affect monetary reserve positions; and

(5) In the long run, to make possible growth in the liquid assets available to international money markets in accordance with the needs of an expanding world economy.

III. SPECIFIC AIMS OF OPERATIONS

Within the basic purposes set forth in section II, the transactions shall be conducted with a view to the following specific aims:

(1) To offset or compensate, when appropriate, the effects on U.S. gold reserves or dollar liabilities of those fluctuations in the international flow of payments to or from the United States that are deemed to reflect temporary disequilibrating forces or transitional market unsettlement;

(2) To temper and smooth out abrupt changes in spot exchange rates and moderate forward premiums and discounts judged to be disequilibrating;

(3) To supplement international exchange arrangements such as those made through the International Monetary Fund; and

(4) In the long run, to provide a means whereby reciprocal holdings of foreign currencies may contribute to meeting needs for international liquidity as required in terms of an expanding world economy.

IV. ARRANGEMENTS WITH FOREIGN CENTRAL BANKS

In making operating arrangements with foreign central banks on System holdings of foreign currencies, the New York bank shall not commit itself to maintain any specific balance, unless authorized by the Federal Open Market Committee.

The bank shall instruct foreign central banks regarding the investment of such holdings in excess of minimum working balances in accordance with section 14(e) of the Federal Reserve Act.

The bank shall consult with foreign central banks on coordination of exchange operations.

Any agreements or understandings concerning the administration of the accounts maintained by the New York bank with the central banks designed by the Board of Governors under section 214.5 of regulation N (as amended) are to be referred for review and approval to the Committee, subject to the provision of section VIII., paragraph 1, below.

V. AUTHORIZED CURRENCIES

The New York bank is authorized to conduct transactions for System account in such currencies and within the limits that the Federal Open Market Committee may from time to time specify.

VI. METHODS OF ACQUIRING AND SELLING FOREIGN CURRENCIES

The New York bank is authorized to purchase and sell foreign currencies in the form of cable transfers through spot or forward transactions on the open market at home and abroad, including transactions with the stabilization fund of the Secretary of the Treasury established by section 10 of the Gold Reserve Act of 1934 and with foreign monetary authorities.

Unless the bank is otherwise authorized, all transactions shall be at prevailing market rates.

VII. PARTICIPATION OF FEDERAL RESERVE BANKS

All Federal Reserve banks shall participate in the foreign currency operations for System account in accordance with paragraph 3G(1) of the Board of Governors' statement of procedure with respect to foreign relationships of Federal Reserve banks dated January 1, 1944.

VIII. ADMINISTRATIVE PROCEDURES

The Federal Open Market Committee authorizes a subcommittee consisting of the Chairman and the Vice Chairman of the Committee and the Vice Chairman of the Board of Governors (or in the absence of the Chairman or of the Vice Chairman of the Board of Governors the members of the Board designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee his alternate) to give instructions to the special manager, within the guidelines issued by the Committee, in cases in which it is necessary to reach a decision on operations before the Committee can be consulted.

All actions authorized under the preceding paragraph shall be promptly reported to the Committee.

The Committee authorizes the Chairman, and in his absence the Vice Chairman of the Committee, and in the absence of both, the Vice Chairman of the Board of Governors:

(1) With the approval of the Committee, to enter into any needed agreement or understanding with the Secretary of the Treasury about the division of responsibility for foreign currency operations between the System and the Secretary;

(2) To keep the Secretary of the Treasury fully advised concerning System foreign currency operations, and to consult with the Secretary on such policy matters as may relate to the Secretary's responsibilities;

(3) From time to time, to transmit appropriate reports and information to the National Advisory Council on International Monetary and Financial Problems.

IX. SPECIAL MANAGER OF SYSTEM OPEN MARKET ACCOUNT

A special manager of the open market account for foreign currency operations shall be selected in accordance with the established procedures of the Federal Open Market Committee for the selection of the manager of the System open market account.

The special manager shall direct that all transactions in foreign currencies and the amounts of all holdings in each authorized foreign currency be reported daily to designated staff officials of the Committee, and shall regularly consult with the designated staff officials of the Committee on current tendencies in the flow of international payments and on current developments in foreign exchange markets.

The special manager and the designated staff officials of the Committee shall arrange for the prompt transmittal to the Committee of all statistical and other information relating to the transactions in and the amounts of holdings of foreign currencies for review by the Committee as to conformity with its instructions.

The special manager shall include in his reports to the Committee a statement of bank balances and investments payable in foreign currencies, a statement of net profit or loss on transactions to date, and a summary of outstanding unmatured contracts in foreign currencies.

X. TRANSMITTAL OF INFORMATION TO TREASURY DEPARTMENT

The staff officials of the Federal Open Market Committee shall transmit all pertinent information on System foreign currency

transactions to designated officials of the Treasury Department.

XI. AMENDMENT OF AUTHORIZATION

The Federal Open Market Committee may at any time amend or rescind this authorization.

MEDICAL COVERAGE FOR THE AGED—RESOLUTION OF WASHINGTON COUNTY POMONA GRANGE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Washington County Pomona Grange of my State on the subject "Medical Coverage for the Aged."

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

MEDICAL COVERAGE FOR THE AGED

Whereas the problem of medical care for the aged is becoming more and more serious to the aged and to society as a whole; and

Whereas nearly all public opinion polls show that the public generally favors broadening the social security program to include medical care for the aged within the social security program: Now, therefore, be it

Resolved, That the Washington County Pomona Grange No. 2 reiterate and strengthen its support for a prepaid medical coverage program to be included in the social security program.

Approved by Washington County Pomona Grange No. 2 in regular session this 23d day of January 1963.

HENRY HENRICKSON,
Master, Washington County Pomona.
KATHLEEN SIMMONS,
Secretary, Washington County Pomona.

WANTED: A BUSINESS ALLIANCE FOR PROGRESS—ADDRESS BY PETER R. NEHEMKIS, JR.

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD an address by Peter R. Nehemkis, Jr., of the Whirlpool Corp., on the subject "Wanted: A Business Alliance for Progress."

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

WANTED: A BUSINESS ALLIANCE FOR PROGRESS

(Address by Peter R. Nehemkis, Jr., Whirlpool Corp., before the 13th Annual Conference on the Caribbean, School of Inter-American Studies, University of Florida, December 7, 1962)

Dean Page, Professor Wilgus, distinguished guests, ladies and gentlemen, turning points in history are usually marked by the professional historian long after the event. This 13th Conference on the Caribbean meets when the pages of history are still wet with printer's ink.

The School of Inter-American Studies is to be congratulated for having selected Venezuela as the focus of attention for this annual meeting of distinguished scholars, government officials, and men of business. Venezuela is a microcosm for all of the burning issues of Latin America. But it is something more. Venezuela is the beacon light of hope for democracy in Latin America. If the lights go out in Venezuela, one of the richest prizes in the Western Hemisphere will have been won by the Castristas.

Tonight, our dialog concerns a crisis in the confidence of capitalism in Latin America. In the Western Hemisphere all roads once led to Havana. We, too, begin at Havana.

U.S. private investment in Latin America has been one of the major casualties of the Cuban revolution. With no more formality than a TV harangue, Dr. Castro successfully wiped out $1 billion of American investments in the Pearl of the Antilles. Expropriation hangs like a sword of Damocles over the remaining $8 billion of U.S. investment scattered throughout the southern continent.

The meaning of Dr. Castro's deepening shadow is apparent from these simple figures. In 1957, the flow of U.S. direct investment to Latin America was over $1.5 billion. In the second quarter of 1962, it was precisely zero. Not only has investment in Latin America been arrested, but some companies are bringing their capital home. What this implies, in a word, is that U.S. business has lost confidence in Latin America.

The cessation in U.S. investment means that Secretary of the Treasury Dillon is shy some 30 percent of his $1 billion Punta del Este commitment. Of this amount, $300 million was to be provided through U.S. private investment. Now if only a shortage of $300 million were involved, this would be small change to the U.S. Government. Belatedly, however, the Washington policymakers have come to the realization that, without a continued flow of new U.S. private capital, the Alliance for Progress is a stick of dynamite without a percussion cap.

Some in the business community believe the loss of confidence in Latin America results largely from shrinking profit margins. Superficially, the statistics appear to support this contention. In 1960, the average return on investments in Latin America (after U.S. taxes on remittances) was 9.2 percent—just about the same average return as the 9.1 percent from the United States. In short, by staying home, without incurring any risks or losses from currency devaluation, you could, statistically speaking, do just as well as in Latin America. On the other hand, the after-tax return from investments in the European Common Market was almost 14 percent. The more than $7½ billion of U.S. direct investment which had moved into West Europe by the end of 1961 is clear evidence of the magnetic attraction of the European Common Market.

These statistics, however, tell only part of the story; perhaps not even the most significant part at that. It is Latin America's political instability—more than any other element in the investment equation—which has sapped investment confidence.

Political instability in Latin America is endemic. Oue hundred and fifty years after the breakup of the Spanish and Portuguese empires representative government is still an elusive aspiration. Democratic constitutional trappings and parliamentary edifices are largely theatrical stage props, "Potemkin Villages." Latin America has a three-beat political rhythm: dictatorship, revolution, dictatorship. In the service of truth let it also be said that, if democracy is conspicuous by its absence in Latin America, the Colossus of the North is not without some blame. U.S. history of support for the status quo has scarcely been consistent with the democratic cause.

Contemporary events in South America's major countries are profiles of political instability. Since the resignation of Jânio Quadros from the Presidency there has been for all practical purposes no functioning government in Brazil. One of Brazil's best-known economists, Dr. Celso Furtado, characterizes Brazil as in a prerevolutionary state. If and when the Northeast explodes, Cuba will seem like a firecracker.

In Argentina, the seizure of power by the military under a thinly disguised civilian regime completed the economic and political bankruptcy of the nation begun by Perón. A civil war between clashing generals was narrowly averted. Like Banquo's ghost the Peronistas continue to haunt the stage. Nor has the end of this unhappy chapter been reached.

The military coup in Peru ripped the props from under the Alliance for Progress. The junta functions in a political vacuum; provides a surface calm; and allows business as usual to flourish.

Venezuela is Dr. Castro's primary target. After his abject humiliation at the hands of the Russians, Dr. Castro must destroy Betancourt in order to redeem himself as Latin America's No. 1 revolutionary. If by its disruptive tactics the extreme left can succeed in creating a situation of anarchy which will force the Venezuelan military to take over, the Communists are poised in the wings prepared to take eventual control.

Still in prospect elsewhere on the continent are additional golpes de estado to preserve the status quo by politicians who wear the uniform of generals. Or Nasser-like seizures of power by younger officers who want social reforms under a directed democracy.

In the coming election in Chile for the first time in the Western Hemisphere we may witness a democratically elected President who represents the Marxist alternative.

From the Rio Grande to the Tierra del Fuego where Argentina like a pointing finger reaches into the Atlantic waters rushing to join the Pacific, the continent is wracked by political violence, if not outright anarchy.

In one of the great tragic dramas of our time an entire continent is hemorrhaging from its internal economic and political wounds. For at least another generation, Latin America is bound to undergo a vast convulsion.

This is the context in which U.S. investments will have to be made, if they are made at all.

Since many American companies have managed to get along for a good number of years in this environment of political turbulence, Why at this late date, it may be asked, are they beginning to close up shop? Companies with long experience in Latin America are not leaving. A United Fruit in Central America or an Anaconda Copper in Chile might wish that it could take its cash and come home. But they can't. For all practical purposes they are frozen into their investments. Others have no intention of departing. Who is pulling out? Mainly the newcomers to Latin America.

Paradoxically, investors from other countries do not appear to share the adverse reaction of U.S. capital to Latin America. Japanese businessmen are swarming over the hemisphere in search of deals. The West German Krupp empire finds Brazil's chaos and Argentina's political and economic bankruptcy promising soil for the future. Swedish, Italian, and French firms continue to probe for profitable investment opportunities.

The explanation for this continuing interest as against the American withdrawal lies, I suspect, in an emotional predisposition toward Latin America, and in long experience with foreign investments. Neither political instability nor the absence of certainty seems to worry the non-American entrepreneur. Moreover, he appears to have a greater capacity for environmental adaptation. In a word, the non-American investor has the knack of being able to live in the mouth of an active volcano.

Practical and dramatic solutions to the current crisis in capital require joint action by U.S. business and the U.S. Government. It cannot be solved by Government or business acting alone. Our inability to resolve this painful dilemma paralyzes effective action.

In part, the difficulty in reaching a rapport with the governmental administration is of our own doing—or, more precisely, our lack of doing. How often and when has the story been told of what U.S. business really looks like in Latin America?

Whatever may have been its historic shortcomings, U.S. business now in Latin America is not exploitive leech, the insensitive tool of Yankee imperialism, which the Castro-Communist propaganda would have the Latin American masses believe.

With its powerful thrust for expanding consumer markets, U.S. business now in Latin America is, in its own right, a revolutionary force. U.S. business is, in fact, the salesman for the revolution of rising demands. The hot dreams in the heads of Latin America's urban slum dwellers and middle groups are not stimulated by Karl Marx' "Das Kapital," but by the shop windows bulging with refrigerators, ranges, TV and radio sets. Indeed, American business makes Khrushchev look like a piker. History will record as one of the consummate ironies of our time that the grave digger of the feudal societies was the American business presence in Latin America.

Nevertheless, myths die hard. The image of a buccaneering, greedy, socially atrophied American business lingers on. In numerous layers of Washington officialdom there is little or no knowledge of the socially constructive and creative role being played by many U.S. companies in Latin America—Creole Petroleum Co.; Sears, Roebuck & Co.; Kaiser Industries; Deltec Corp.; International Basic Economy Corp., to mention but a few. Scarcely a handful of the Members of Congress have any knowledge of what a score of U.S. companies have accomplished to identify themselves genuinely with the aspirations of the people of Latin America—for instance: The Chase Manhattan Bank with its development of a cattle industry in Panama; or the Whirlpool Corporation, through its sponsorship of a Technical Institute at Medellín, Colombia, for the training of high school graduates in the disciplines of middle management.

There is no patent medicine which is guaranteed overnight to bring the business and governmental communities into an effective, working relationship. If joint action is not feasible, why can't that sector of the business community, which is concerned over the plight of Latin America, act on its own? Why not business Alianza para el Progreso?

If American business is prepared to "roll its own" Alliance, there must be cleared away some of the underbrush which contributes to misunderstanding. As a first step, we should jettison the notion that there are no profits to be made in Latin America. There are, and will continue to be, profitable business opportunities in a number of Latin American countries. For it must be remembered that the fallacy of the statistical average lies in its concealment of the profitable individual investment.

American business can take advantage of these profitable opportunities if it will forgo the will-o'-the-wisp pursuit of political stability as a condition to doing business. Political stability presupposes a static society. Latin America is a volatile, diverse, and changing society. It is a society powered by three revolutions all moving at the same time: an industrial revolution; an agrarian revolution; and a social revolution. In Latin America, the 20th century is in headlong collision with the 13th.

As a second step, we might tear a page out of the book of our international competitors. How do they do it? The answer is: An ability to adapt. Actually, in adapting to a revolutionary environment little more is required from U.S. business than that it do those things in Latin America which are accepted as a matter of course here at home: support of education; training of nationals for responsible supervisory and managerial positions; sharing of profits; bona fide collective bargaining; opening up stockownership to the people of the country. In short, to do those things which encourage a better standard of living and a better distribution of income, if for no other reason than the inability to sell to a poorhouse. We should be willing to share the benefits of our own enlightenment not through motives of paternalism, but for the same reasons which prevail here at home: it makes good sense.

As a third step, the upper reaches of management in the United States must recognize that effective environmental adaptation requires some changes in mental attitudes on the part of some of the local managers in Latin America. Honorary membership in the Jockey Club ought not to transform an ordinarily decent American, with all of the instincts for democracy, into a Spanish grandee. Nor does it seem necessary in the exchange of the social amenities for the good American to adopt the obsolete social and political philosophies of the oligarchy.

Latin America—as does the United States—has a mixed, private, and governmental economy, only more of it. Latin America intends to keep it that way. Latin Americans do not look with favor on the U.S. business representative who seeks to impose on his operation in Latin America a doctrinaire brand of U.S. capitalism which has long ceased to exist in the United States except as a myth invoked at the annual trade association banquets. While Adam Smith may be a saint before whom North American businessmen sentimentally genuflect, it is downright silly to attempt to include him in the already heavy roster of Latin America's celestial hierarchy.

At a time when the winds of nationalism are reaching gale proportions in some parts of Latin America, U.S. business needs a strong anchor to the windward. The wholly-owned subsidiary does not provide the requisite security. Probably no other aspect of U.S. business is more irritating to the scab of nationalism than the totality of control of the wholly-owned subsidiary. Nor is the irritant confined solely to Latin America's intellectuals and bureaucracy: it is shared by Latin America's businessmen. What Latin Americans resent—and not without justification—is the U.S. manager who can't make decisions without first obtaining the approval of his home office. From any point of view this bespeaks a boy sent to do a man's job. From the peculiarly Latin American view it smacks of economic colonialism.

In passing, it might be noted that this is not an idiosyncrasy of Latin Americans. The Canadians have expressed their version of "Yanqui-go-home" by their sensitivity to Canadian subsidiaries of American firms. Among the European Common Market countries the French, for instance, take exception to the wholly owned U.S. company. Both the French governmental administration and the French business community believe that basic economic decisions laid down, say, in New York or Detroit may be inimical to the national investment objectives attained through joint government-industry planning.

In short, effective environmental adaptation requires that U.S. business become a Colombian, an Argentinian, a Brazilian company instead of being a foreign appendage of its American parent.

The key to successful environmental adaptation is the instinct for what makes other people tick. One of the truly great illusions of the American mind is the assumption that other people—meaning the natives—will react to our policies in the same way as we would react, if we stood in their bare feet. We might spare ourselves a good deal of frustration if we first took a look at the feet and then shaped our policies accordingly.

Successful adaptation necessitates abandonment of the American compulsion to play missionary to the world. It is a delusion to believe that there is a magic pill which will convert Latin America's shockingly mismanaged societies into neat replicas of the United States of America. Or that the inherited Spanish passion for individualism and the dispersive nature of the Spanish character (unique in the Western World) can be transformed into the American obsession for collective action. Or that there will soon be a change in the fatal Spanish characteristic of producing the perfect blueprint which is never put into operation. Latin Americans sometimes mock themselves with an old Spanish proverb (which, incidentally, illuminates why the Alliance for Progress has experienced difficulty in getting off the ground). It goes: Se obedece pero no se cumple. We obey but we do not fulfill.

If U.S. business can stand a bit of mental house cleaning so, too, can Latin American business. If I am critical of Latin America's capitalists, it is, however, in the spirit of a friend who asks his colleagues to look again at the hands of the clock: they are now perilously close to midnight. Time is running out for all of us—the Alliance for Progress; Latin America's business elite; our own business leadership.

The trouble with the Latin American capitalist is that he is a hundred years behind the times. Too many Latin American capitalists retain the mental baggage of an itinerant peddler: buy and sell quickly; always have your luggage packed for a fast getaway. He looks upon investment as a treasure to be plundered instead of an expectation to be nurtured. He has yet to recognize that the return on an investment must be reasonable; that profits must be plowed back into the business and not siphoned off for safekeeping abroad. If it is to be employed usefully, capital can't be put into idle land because ownership of land is a status symbol or a hedge against inflation. He has yet to understand that payment of taxes to the state is not a form of feudal tribute—tributo and tributario, it might be recalled, are the Spanish equivalent for taxes and taxpayer. As a footnote, I should add that, throughout Latin America the very idea of handing over tax moneys to government functionaries who would steal it, is a grim jest, peculiar to the Yankee sense of humor.

The Latin American capitalist is not sufficiently aware that the real security base of capitalism rests on the people's identification with and confidence in the capitalist system. Identification results from jobs, good wages. But this is not enough. More important is the feeling of confidence. Confidence exists when the workers themselves believe that the patrón—their own boss—is himself associated with social progress.

There is no future for Latin American capitalism if, in the eyes of the people, it is linked with a closed, feudal, aristocratic society.

If Latin American capitalism is to be accepted, if it is to prosper, if it is to play a creative role in the development of the hemisphere, it must become the champion of an expanding and egalitarian society.

It would be a gross distortion of reality—a caricature—if the impression were left that all Latin American capitalists were part of a feudal backwash. Eugenio Mendozo and Gustavo Vollmer in Venezuela; the Klabin and Byington families in Brazil; Luis Echavarría in Colombia; Eugenio Heiremans in Chile; Francisco de Solo in El Salvador—these businessmen with others like themselves throughout the continent are members of that select company of men who are part of the mainstream of a 20th century capitalism.

One thing which the existing crisis in capital should make abundantly clear is that there is no holy writ which says U.S. capital must go to Latin America. The plain truth

of the matter is that U.S. investment capital doesn't need Latin America.

The American economy still exerts the first claim on the competitive demands for the investment dollar. Most American companies are more deeply committed to supplying capital funds for product development and improvement, or in being associated with the glamour of a shot to the moon, than with the discovery of investment opportunities in Latin America.

Lenin's celebrated dictum—now a universal article of Communist faith—that finance-capital must invest in the underdeveloped lands because it has no other place to go simply doesn't hold water. The European Common Market—as was previously noted—has attracted almost as much new U.S. investment since the midfifties as our entire existing investment in Latin America. Today, to paraphrase from the "Communist Manifesto," a specter is haunting communism—the specter of the European Common Market.

If Latin America really wants American private capital, its own private capital has to stand up and be counted. It is immoral for Latin America's businessmen to expect U.S. business to assume the risks which they themselves are unwilling to take.

Latin America is not as capital poor as it would have us believe. There is now probably as much or more private Latin American capital squirreled away in New York, Paris, London, and Zurich as the Alliance for Progress proposes to export over the entire decade. Until this refugee capital is repatriated, we are just whistling in our teeth about a decade of development in Latin America.

In some major Latin American countries expatriated private capital may have exceeded the total amount of U.S. foreign aid. Nor can this vacuum conceivably be filled by foreign aid when it is recalled that many of the Latin American countries have sustained losses from the decline in commodity prices which are two to three times as great as the amounts supplied through public moneys from the United States.

In recent months, some prominent U.S. and Latin American leaders have sought to dismiss the problem of flight capital or have defended its incidence. Dr. Felipe Herrera, president of the Inter-American Development Bank, believes that focusing attention on fugitive capital "harms the standing of the hemisphere abroad."

Do Latin America's leaders believe that it is politically realistic for the President of the United States to continue to ask his fellow citizens to help Latin America when Latin Americans themselves have so little confidence in their own countries?

Do Latin America's leaders believe that it is politically realistic to expect the Congress to continue to appropriate tax moneys for the benefit of Latin America when Latin Americans act like strangers in their own lands?

The vast majority of the American people are weary with the whole business of foreign aid. Nevertheless, Latin America holds a unique place in their affections. The American people will support their government's efforts to assist Latin America with greater generosity than for any of the other poor lands of the world.

One guaranteed way by which to make Americans indifferent to Latin America's fate is for Latin America's leaders to tell us that the migration of capital is a mere peccadillo which we ought not to take seriously.

Private capitalism as a competing system with the state capitalism of the Soviet Union (for that is essentially what Soviet communism is) can't take itself for granted, least of all in a transitional society. In Latin America, especially, private capitalism has to justify itself, for it is on trial. It has to provide tangible evidence that it can produce more at lower prices and that its cumulative impact is good for the country and for the people.

Ask any baker's dozen of ordinary Latin Americans whom you might encounter on the streets of Mexico City, Lima, São Paulo, Buenos Aires, or any of the other urban conglomerations in Latin America, what they think of the capitalist system in their country. The answer will be a loud and resounding Bronx raspberry. The reason is not hard to find: Latin American capitalism simply hasn't delivered for the masses. And the propaganda of the extreme left never lets up in driving home this fact.

A classic illustration of the point is the Mexican industrialization. A mixed bag of public and private investment, it has by all odds been spectacular. Between 1945 and 1957, Mexico doubled its gross national product. No other Latin American country during the same period was able to achieve that record. In this same period per capita production increased 44 percent. In the United States it was 6.5 percent.

Yet with this remarkable rate of growth the Mexican people are not any better off than they were 15 years ago. A report of the U.S. Department of Commerce states: "There appears to have been a considerable increase in the real per capita income since 1939. However, most of the increase was in the form of commercial and industrial profits, and large sectors of the population apparently derived little if any benefit from the enlarged national product."

The Mexican economist, Manuel Germán Parra, finds a greater inequality in the distribution of income in 1955 than in 1940. He comments that, ironically after 45 years of struggle for social justice by the Mexican Revolution, the distribution of income in Mexico is so lopsided as to make the most conservative British or U.S. capitalist blush.

In the Mexico of Don Adolfo López Mateos is a far cry from the Mexico of Don Porfirio Díaz (when it was "the mother of foreigners and the stepmother of Mexicans"), there is, nevertheless, a deadly parallel. Don Porfirio's científicos (that brilliant group of young lawyers and economists who worshipped at the shrine of Progress and ruled as benevolent despots) have been replaced after 20 years of industrialization by revolucionarios adinerados—rich revolutionaries—who have siphoned off the lion's share of the increase in national income. Qué revolucion. Qué adelanto. Some revolution. Some progress.

Since that fateful evening in late October when President Kennedy informed the world of America's determination to counter the Soviet missile thrust into the Western Hemisphere, there has been discernible in Latin America a new climate, a different ambiente.

American diplomacy had exerted itself—decisively and massively. Latin America was eager to follow—and it did. Overnight, as it were, the turgid atmosphere full of recriminations and bickerings, which had hung over the continent, has been replaced by a clear sky.

Dr. Castro is discredited as a social revolutionary. Today, he is revealed as a paranoiac incendiary—an exporter of terror and destruction. His erstwhile admirers are disenchanted by the confirmation of Cuba's status as a Soviet lackey. After almost $1 billion in economic aid from the Soviet bloc, Cuba is a failure as a Communist showcase.

New opportunities beckon for American diplomacy and for American business. May not this be the beginning of a new dawn for U.S. investments in Latin America? May not this be the decisive hour for U.S. business leadership to lead? Are not the tides right for the launching of a Business Alliance for Progress?

The embryonic Central American Common Market offers an unparalleled opportunity for U.S. business leadership to make a spectacular contribution to modernization. It can do this by organizing a series of mixed private and governmental ventures to supply capital and consumer goods for a potentially viable regional economy. West European, Canadian, United States, Japanese, and Central American capital (both private and governmental) could be mobilized.

Perhaps the most significant and far-reaching contribution—for both the immediate Common Market undertaking and for the future of U.S. investments throughout Latin America—would be for the coventurers to propose to and negotiate with the Central American Common Market Authority a charter of the rights, duties, and obligations of the investors and of the respective governments.

The charter could spell out, among other things, that this international consortium did not intend to preserve its investment over the indefinite future; and that its financial stake could be bought out by local investors or governmental bodies. It could be made crystal clear that the whole sweep of the idea was to light the fuse, to help detonate an explosion of economic growth—and then get out.

What is good for the Central American Common Market can also be good for the larger Latin American Free Trade Association (LAFTA). Latin America's best hope for economic progress lies in the early development of these two regional markets.

In a world divided into enormous trading blocs, unless Latin America's fragmented economies are regionally integrated, they are doomed to permanent stagnation.

It cannot be emphasized too often that for its own psychological sake and for its own political future, Latin America must think and act as a continent. A century and a half of Balkanization is enough.

Latin America's forced-draft industrialization has of necessity created artificial, hothouse industries. They are sustained by their ability to exact high prices for their products. Their underpinning depends upon protective tariffs and other import restrictions.

Regional integration now offers the unique opportunity for industrial rationalization.

Regional integration can provide the elbowroom for North American, European, and Japanese technology, distribution, and consumer financing to accelerate economic growth. This can be accomplished initially by reorganizing and consolidating those existing enterprises whose technology is largely obsolete, whose materials handling is costly and wasteful, and whose business efficiency leaves much to be desired.

The experience of the United States common market and the emergent European Common Market is that the small unit cannot compete effectively. Big consumer markets require big businesses with strong engineering, manufacturing, and financial resources.

The sweep of history may bypass LAFTA if it fritters away a decade on conventional tariff jockeying to the neglect of regional consolidation and merger of industries; and if it fails to supply imaginatively conceived regional mechanisms to support economic integration.

I venture to suggest that there may never again be present a more propitious moment for the LAFTA countries to reevaluate whether its regional structure may not be too unwieldy. And whether initially a more simplified series of regional groupings would not be more manageable for trade and political administration.

Latin America is at an historic moment of truth: unless its governing and business elite heeds Macauley's injunction to reform if you would preserve, they might just as well sign their own death warrants. For,

comes the revolution, there will be precious few of this class who will hold a safe-conduct pass.

A democratic capitalism, which is part of the mainstream of the 20th century, can strike a lethal blow at Latin America's real enemy: the people's lack of hope and the bitter despair which consumes their hearts.

A 20th century democratic capitalism can offer to the people of Latin America something much better than the Marxist alternative: a stake in the future under freedom.

Which will it be?

If a revitalized Alliance for Progress and the hemisphere's enlightened business leaders will now act with reassuring swiftness, it could be the beginning of a new era in the New World.

AMERICAN COUNCIL ON EDUCATION—HIGHER EDUCATION AS A NATIONAL RESOURCE

Mr. MORSE. Mr. President, Dr. Logan Wilson, president of the American Council on Education, has recently brought to my attention the publication of that organization entitled "Higher Education as a National Resource."

The American Council on Education, which was founded in 1918, is a council of educational organizations and institutions whose purpose is to advance education and educational methods through comprehensive voluntary and cooperative action on the part of American educational associations, organizations, and institutions. The officials and directors of the organizations are drawn from our great higher education institutions, both private and public, from every section of the country. As an Oregonian I am particularly proud of the fact that Dr. Richard H. Sullivan, president of Reed College in Portland, Oreg., serves as a member of the board of directors.

The American Council on Education has in the past given most valuable advice and counsel to the Education Subcommittee of the Senate Committee on Labor and Public Welfare concerning its various proposals, particularly those relating to higher education which have been brought before the subcommittee.

In the weeks ahead, as we consider the National Education Improvement Act of 1963 (S. 580), I know I speak for the members of my subcommittee when I say that we shall welcome the testimony of this great educational organization.

Although as I have indicated, the American Council on Education is primarily concerned with the problems of higher education, I was most pleased to find contained in its recommendations one paragraph which states:

> The council recognizes the need also to strengthen elementary and secondary education and believes that the Federal Government has significant responsibilities on those levels. The American Council on Education, however, represents higher education. Our proposals are concerned accordingly with the need to strengthen colleges and universities.

It would be helpful, in my judgment, for Senators to have readily available the recommendations of the American Council on Education, and for that reason I ask unanimous consent that the brief statement to which I have referred be printed at this point in my remarks.

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

HIGHER EDUCATION AS A NATIONAL RESOURCE

American higher education is a priceless asset fundamental to the national purpose. It cannot be spoken of simply in terms of the value of buildings and equipment, the total number of persons served, the teachers involved, or the research performed. The Nation's colleges and junior colleges, universities, research institutes, and professional schools are all of these things, but something more. Broadly conceived, higher education constitutes a precious national resource essential to the achievement of great national goals and to the achievement of worthy aspirations of individual citizens. It is a resource also in the sense that, given favorable conditions, it is as capable of self-renewal as is a properly conserved forest.

As students, young men and women look to colleges and universities to help them fulfill their aspirations. Parents look to these institutions to help them realize the ambitions they have for their children. More significantly, the American people look to colleges and universities for a continuing supply of increasingly capable citizens. They expect institutions of higher education—especially universities and their associated professional schools—to explore new fields of knowledge and to apply this knowledge to the problems of business and industry, human development, and government.

Nor is it the American people alone who place a high value on their institutions of higher education. The governments and peoples of emerging nations are turning more and more for advice and assistance to our colleges and universities. There can be little doubt that American higher education must help meet the expectations not just of the Nation, but of the world as well.

Like any other resource, colleges and universities must be used wisely lest they be exploited and their values diminished. Thus far, American higher education has served without substantial impairment of its teaching and research functions. But as we approach the 1970's, it is quite clear that colleges and universities will be subject to pressures that could weaken their usefulness as national resources. To prevent such a possibility, and to develop further higher education's strength as a resource for the future, action must be taken now. Appropriate action involves individual citizens and private philanthropy, but it also involves local, State, and National governments.

The heaviest pressure on our colleges and universities—and one certain to increase—is the steadily rising number of persons who want to enter college. Not only are there vastly more individuals in the college-age group, but also more of them find it necessary and desirable to get a higher education.

Opening enrollment for the current academic year (4,175,000 in fall of 1962) shows a 17-percent increase over 1960, the start of the present decade. By 1965, it is estimated that the figure will have increased 46 percent over 1960. An opening enrollment of almost 7 million is projected for 1970—an increase of 94 percent over 1960.[1] To meet this situation, institutions of higher education, even with the most effective use of the staff and plant they now have, must enlarge their faculties and expand classroom and student housing facilities.

In addition, though more difficult to measure, the pressure of new knowledge on colleges and universities requires new and expensive research facilities and equipment. Our Nation cannot afford to let its institutions fall behind in the search for new and better knowledge. To move ahead, we must expand and strengthen graduate education, including postdoctoral study, for the purpose of advancing knowledge of all kinds as well as for advancing learning on all levels. Throughout our educational system, in brief, we shall have to do a bigger and a better job. Achieving this objective will be costly; falling short of it will be even costlier.

The American Council on Education believes that the problems confronting higher education transcend State and local concerns, and thus have become an urgent national concern. We believe that, to maintain and develop higher education as a national resource, the Federal Government must supplement other sources of support. The Federal Government should do this, not to aid higher education, but to meet a national obligation to conserve and strengthen a national resource.

The council therefore proposes a broad program of Federal action to help expand and improve American higher education.

Although American higher education is unified in purpose, it is varied in its forms. We can think of it as a single entity when visualizing the impact of enrollment increases and sensing the obligation this places upon colleges and universities. But this concept of unity blurs the variety and complexity which must be considered in formulating a viable program. Such a program should meet the needs of institutions ranging in complexity from small colleges to large universities comprising many divisions and professional schools, in size from a few hundred students to many thousands, and in control from private to public.

The council believes it is well within the capacity of the American people, acting through their elected Representatives in Congress and in response to leadership from the President, to implement a program of adequate support for higher education as a national resource.

This assertion, we are aware, proposes the use of Federal funds for private institutions as an integral part of the American system of higher education. This is nothing new, however, in either principle or practice. Historically, the Congress and the Federal Government have drawn no line of demarcation between public and private institutions of higher education when utilizing them in the national interest. The Federal Government has repeatedly called upon both public and private institutions to perform research and to serve as training centers for military officers. The Federal Government has provided grants to both public and private institutions for construction of research facilities. The Federal Government has granted funds to both public and private institutions for graduate education under the National Defense Education Act. In these and other ways, ample precedent exists for a program designed to develop both public and private institutions of higher education as a vital national resource.

For more than a 100 years the United States has supported and taken pride in a dual system of higher education which affords our youth the freedom to choose how and where they are to pursue their advanced learning. The American Council on Education believes in the soundness of this educational tradition and urges the American people, through their Federal Government, to support and develop it to meet the Nation's growing needs.

[1] The conservative estimates of the U.S. Office of Education reflect the general increase in population aged 18–21, and assume that the present ratio of 38 college students per hundred in the 18–21 age group will rise to 48 per hundred by 1970. The increase in enrollment is not a temporary bulge, but a more permanent increase which will require even greater expansion in the 1970–80 decade. The 18–21 age group in 1980 (already born and approaching kindergarten) will be approximately 3 million larger than the equivalent group in 1970.

The proposals here set forth were recommended by the American Council's Commission on Federal Relations, and approved by the council's board of directors. By its nature, higher education is diverse and comprises institutions of many different traditions and views. As may be expected there are individual differences of opinion. Nevertheless, our recommendations represent a thoughtful consensus of representatives of all segments of American higher education. They take into account the views of the council's 1,000 member institutions and 175 member organizations.

The council recognizes the need also to strengthen elementary and secondary education and believes that the Federal Government has significant responsibilities on those levels. The American Council on Education, however, represents higher education. Our proposals are concerned accordingly with the need to strengthen colleges and universities.

THE PROPOSALS

I. Physical Facilities

The Federal Government should take appropriate steps to assist colleges and universities in the construction of physical facilities for instruction, research, and student housing.

Instructional facilities: The council believes the need justifies a commitment by the Federal Government averaging $1 billion annually for a program of matching grants and low-interest loans for construction of academic facilities in both public and private institutions.[2]

Classrooms, laboratories, and libraries are essential to any soundly conceived academic program. The institution which overcrowds these facilities or tries to make do with obsolete facilities risks serious impairment of the quality of its academic program.

Research facilities: Federal agencies which support research in colleges and universities should be authorized and encouraged to provide appropriate support for construction of the physical facilities and for acquisition of the equipment required for such research. Additional appropriations should be provided as needed for these purposes.

Student housing: The basic legislative authorization of $300 million annually for the college housing loan program runs until 1965. The Government is urged to make full use of its authority to make college housing loans and, if the demand for loans should exceed available funds, to seek additional lending authority.

II. Faculty

The Federal Government should expand programs that will help to increase the supply of college teachers and improve the quality of instruction and research in colleges and universities.

Supply of college teachers: Two principal sources of Federal support for individuals enrolled in graduate programs which would qualify them for college teaching are the National Science Foundation and the National Aeronautics and Space Administration. The programs of these agencies are restricted for the most part to the natural sciences. Moreover, they are directed primarily to research and only incidentally to college teaching. The NSF and NASA fellowship programs should be expanded as the number of qualified candidates increases. Nevertheless, it must be recognized that expansion of these programs does not necessarily insure that the participants will go into college teaching rather than research

The quality of college education also depends on an adequate supply of well-prepared teachers in disciplines other than the sciences, for example, in English, history, political science, and economics. The Federal Government should support expansion of graduate education in such a way as to redress the present imbalance in favor of science, and to encourage the preparation of college teachers in many, instead of few, fields of learning.

The only Federal program specifically intended to increase the supply of college teachers in fields other than science is that authorized in title IV of the National Defense Education Act, supplemented by the National Defense Education Act, title VI, scholarships to prepare researchers and teachers in modern foreign languages not commonly taught in the United States. To make the National Defense Education Act a more effective instrument for adding to the supply of college teachers, it should be amended as follows:

1. Increase the total number of fellowships available under the National Defense Education Act from 1,500 to 5,000, distributed in these categories:

(a) Up to 2,000 in the existing new or expanded category.

(b) Up to 2,000 in programs of graduate instruction in institutions which can make a major contribution toward meeting the pressing need for college teachers.

(c) Up to 1,000 1-year awards for college teachers who are within a year of completing the requirements for the doctorate.

2. Provide each institution a flat grant of $3,000 a year for each graduate student enrolled under the National Defense Education Act fellowship program with the stipulation that the institution waive all tuition and other fees, other than room and board, normally required of graduate students.

Improvement of quality of instruction: A prime factor in the improvement of academic instruction obviously is the improvement of faculty competence. In the scientific field, Federal programs presently afford faculty members opportunities for postdoctoral research as well as for carrying out research projects on their own campuses. Similar benefits to teachers in fields other than the natural sciences should be provided through amendments to the National Defense Education Act.

New legislation to support the operation of college and university libraries would also reinforce faculty research and scholarship. In many scholarly disciplines the library is a major research facility, comparable in importance to the laboratory.

The program suggested above for 1,000 1-year National Defense Education Act fellowships for college teachers within a year of completing the doctorate would add to the supply of fully qualified college teachers and, because it is directed to persons already in college teaching, would improve the competence of these persons.

In addition, the National Defense Education Act institutes in modern foreign language should be extended to college teachers of modern language without any distinction between teachers from public and private institutions. These modern language institutes should be authorized to include the teaching of English.

Finally, there should be increased use of existing legislative authority for exchanges of faculty members with foreign countries and for grants to actual and prospective college teachers to study abroad. The council believes that Federal agencies administering these programs should consult with the academic community in developing fresh approaches that will win support for needed and substantial increases in appropriations for international educational exchanges.

III. Students

There is need for appropriate Federal action to lower the financial barriers to higher education for qualified students.

The predicted enrollment increase of 2.8 million students between 1962–63 and 1970–71 places a high priority on the need for academic facilities and college teachers. Realization that enrollments will rise by one-fourth between 1962 and 1965 alone emphasizes the urgency of this need. Without adequate facilities and qualified teachers, our colleges and universities will have to resort to expedients detrimental to educational quality. Thus the council believes first priority should go to Federal programs designed to assure the coming generation of college students of classrooms, laboratories, and libraries in which to leran, and qualified persons to each them.

All evidence indicates that charges to students for tuition, fees, and room and board in both public and private institutions are continuing to rise sharply. This upward trend in costs has forced the student, his family, and the institution to plan more realistically the share of the cost that should be borne by grant assistance, loans, and student employment. But dangers lie ahead, since a study of trends also indicates that scholarships and institutional loan funds, even when augmented by Federal loan funds available under the National Defense Education Act, are not keeping pace either with the increase in number of students or with the upward cost trend. Furthermore, while the loan program of the National Defense Education Act has helped many families in the middle-income brackets, qualified students from the very low income levels are finding it more and more difficult to finance a college education.[3]

With National Defense Education Act assistance, State programs of testing and counseling, with special emphasis on early identification of talented students, have either been initiated or expanded. But it is not enough to identify the talented student who comes from a low-income family unless some hope of grant assistance can be offered by the time he must make the decision to go to college. In short, if equality of educational opportunity is to be more than an abstract slogan, the Federal Government must help colleges and universities provide grant assistance as well as loan assistance to able but needy students.

Student loans: The ceiling of $250,000 on Federal contributions to any one institutional loan fund should be removed so that institutions may request funds in proportion to the predictable demand for them. The National Defense Education Act student loan program should be made a permanent program, with the Federal capital contributions granted to the institutions as permanent revolving loan funds. From time to time additional appropriations should then be made

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[2] The magnitude of what the Federal commitment should be is suggested by the projections of facilities needs published by the U.S. Office of Education in 1962 as ch. 11 of "Economics of Higher Education." These projections show an average annual cost of construction for needed facilities of $2.21 billion in the years between 1961 and 1975. Average annual expenditures for construction are now approximately $1.25 billion. This rate can be sustained only if all present and anticipated sources of institutional financing of facilities are fully utilized.

Another estimate of the probable magnitude of the required Federal commitments is found in the results of a November 1960 survey of council membership. Reports from 582 institutions, representing about half of total student enrollment at that time, indicated that, over a 5-year period, they would expect to request a total of $2.9 billion under a program of grants and loans. Of this amount, it was anticipated that about $2.1 billion, or 72 percent, would be for grants, and $800 million, or 28 percent, would be for loans.

[3] The statements in this paragraph are based on "Financial Aid to the Undergraduate: Issues and Implication," by Elmer D. West, to be published by the American Council on Education.

for grants to institutions to reimburse them for the portion of loans forgiven for recipients who entered teaching, to meet the needs resulting from increasing enrollments, and to establish loan funds for institutions new to the program.

As a matter of equity to student borrowers, the 50 percent "forgiveness" of loans should be extended to all teaching, including college teaching in recognized public and private, nonprofit institutions of education.

Student grant assistance: With due regard to the priority needs for a Federal program of assistance for construction of academic facilities and for expansion of the National Defense Education Act fellowship program for training college teachers, a new Federal program of 4-year undergraduate scholarships should be provided to supplement the National Defense Education Act student loan program. This scholarship or grant assistance program should have as its primary objective the seeking out and assisting of students of academic promise and great financial need.

International student exchanges: In the Mutual Education and Cultural Exchange Act of 1961, Congress recognized the need to increase the number of undergraduate and graduate student exchanges with foreign countries and to provide special services to foreign students enrolled in American colleges and universities. Congress should appropriate adequate funds to support these programs realistically if international exchanges of students are to be extended effectively to emerging nations, and if the foreign student is to obtain maximum benefit from study in an American institution.

IV. Other proposals and considerations

The focus of Federal action to sustain and develop American higher education as a national resource must be on programs to assist institutions to meet the demand for better higher education for an increasing number of students. Thus the construction of academic facilities and the recruitment and preparation of qualified college teachers must have first priority for the academic community, and should have first priority in the thinking of Congress and the Executive. The need for more student financial assistance holds a second priority.

The council will continue to support other proposals for Federal action in the field of higher education. The list below is by no means inclusive, but among the proposals for which the council intends to provide appropriate support are these:

Federal assistance for construction of teaching facilities in medicine, dentistry, and other health professions.

Payment of full costs of federally sponsored research.

Equitable reimbursement to colleges and universities for expenses incurred in providing facilities and instruction for ROTC units.

Federal assistance to programs for college-level technician education.

Extension of the urban renewal program with annual authorizations sufficient to maintain benefits to the colleges and universities at least at current levels.

Amendments to the National Defense Education Act (a) to authorize preparation of persons to teach English as a second language, (b) to permit institutions and agencies undertaking National Defense Education Act-supported research to publish the results of such research, and (c) to authorize guidance institutes for training college student personnel workers.

Implementation of international agreements providing for tariff-free importation of books and scientific equipment.

Appropriations for Federal educational programs commensurate with the known demands for such programs. Particular emphasis will be placed on adequate appropriations for the salaries and expenses of the Office of Education, for the program of the National Defense Education Act, for the National Science Foundation, for grants in support of educational television, and for international educational exchanges.

In the interest of providing better coordination and focus for Federal programs in support of education, the American Council on Education believes there should be appropriate revision of Federal organization and administration to strengthen the U.S. Office of Education, and to bring the U.S. Commissioner of Education into a closer relationship with the President.

In addition the council is convinced that the Federal Government has an immediate responsibility to assess all of its present relationships with higher education and to take such steps as may be necessary to make these relationships more conducive to the long-term strengthening of the Nation's educational resources. In such an endeavor the council pledges its full cooperation and assistance.

The Urgent Need for Decision

On December 15, 1962, President Logan Wilson of the American Council wrote the President of the United States:

"The crisis long predicted in the capacity of our institutions to meet the demands upon them is no longer something in the future. It is now."

It takes time to enact new Federal legislation and then to get it into effective operation. It also takes time to plan and then to build new buildings, and to complete the graduate education of a college teacher. Prompt action in the 1st session of the 88th Congress might result in a few new instructional buildings ready for use in the middle of the academic year 1963–64 and many more ready for use at the beginning of the 1964–65 academic year. The full effect, however, of a new Federal program for construction of academic facilites would not be felt until 1965–66 and beyond.

Similarly, assuming that Congress acts promptly in its 1963 session, expanded graduate programs for training college teachers would not make a significant difference in the supply of college teachers until 1965 and after.

The crisis cannot be averted, but it can be met without resorting to hastily devised "crash" programs. The decision lies both with Congress and with the President and his advisers. The American Council on Education is convinced that it speaks not only for organized higher education but for a much broader American consensus when it asserts that the opportunity for quality education beyond the high school should be widened and deepened through Federal action. With wise and effective Federal assistance, higher education can be maintained as an important national resource for generations to come.

RESOLUTION BY McNARY POOL PORTS ASSOCIATION

Mr. MORSE. Mr. President, I ask unanimous consent to have appear in the RECORD a resolution sent to me by the McNary Pool Ports Association of Walla Walla, Wash., expressing its opposition to the proposed user tax on fuel used by inland waterways carriers.

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

Whereas the McNary Pool Ports Association is comprised of the ports of Benton, Kennewick, Pasco and Walla Walla, all located in the State of Washington and the port of Umatilla located in the State of Oregon; and

Whereas the association represents port districts having an area of approximately 6,627 square miles, including some of the most productive agricultural and industrial land in the Pacific Northwest, having an assessed valuation in excess of $213,435,004; and

Whereas the above-mentioned port districts are charged with the responsibility of the development of the overall transportation complex in their respective districts; and

Whereas in excess of 1 million tons annually have passed the McNary lock and dam and upon completion of the Lower Snake River Dams, including Ice Harbor, Lower Monumental, Little Goose and Lower Granite, will increase very substantially; and

Whereas this development will aid the shipper and consumer of the McNary Pool area and beyond due to a very large dependence upon inland waterways transportation; and

Whereas the President of the United States on April 5, 1962, sent to Congress contained in his transportation message a recommendation for a user tax of 2 cents a gallon on all fuel used by inland waterways carriers; and

Whereas this proposal contains dangers readily recognized by all who are familiar with waterways transportation: Now, therefore, be it

Resolved, by the McNary Pool Ports Association and the port districts belonging thereto, both individually and collectively, That this association is unalterably opposed to the enactment of any user charge proposal on our inland waterways; and be it further

Resolved, That a copy of this resolution be forwarded to the Northwest congressional delegation and other appropriate Government agencies.

RESOLUTION BY FRATERNAL ORDER OF EAGLES

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution from the Fraternal Order of Eagles, Portland Aerie No. 4, Portland, Oreg., received from Chester E. Capon.

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

Whereas many areas of the world are confronted with the threat of domination by those whose policies are repugnant to the principles long cherished by a democratic society; and

Whereas it is vital that means of communication be established throughout the free world whereby all people would be better informed and educated and thus be given an opportunity not only to guide their own destiny, but be better able to cope with the moral, religious, economic and political problems of an ever changing universe; and

Whereas the United States of America has an abundance of technical equipment such as television receivers, television signal repeaters and electrical generators, some of which it is believed should be made immediately available without charge to any country desiring the same for the purpose of the dissemination of information and education consistent with the precepts of a democratic society; and

Whereas the Fraternal Order of Eagles subscribes to the democratic principles of truth, justice, liberty and equality and seeks every opportunity to promote those programs and to adopt those principles designed for the social betterment of man: Now, therefore, be it

Resolved, That the Fraternal Order of Eagles, Portland Aerie No. 4, requests that the United States of America proceed with all reasonable vigor to seek the establishment of free educational television within the boundaries of those countries desiring or requesting the same for the purpose or purposes indicated herein; and be it further

Resolved, That President J. F. Kennedy, Senators Wayne L. Morse and M. B. Neuberger, and Representative Edith Green, be forwarded a copy of this resolution; and be it further

Resolved, That a copy of this resolution be forwarded to the appropriate office of the Grand Aerie, Fraternal Order of Eagles, with a request that every other aerie within its jurisdiction support this resolution.

Attest:

CHESTER E. CAPON,
Secretary.

CIA PROBLEMS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an item from the Insider's Newsletter, dealing with some of our CIA problems, about which I shall speak at some length next week.

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

SAY CIA AGENTS IN CONTACT WITH DE GAULLE'S FOES—U.S. EMBASSY FROWNS ON MEETINGS WITH FORMER OAS LEADERS

NEW YORK, February 18.—Agents of the United States, presumably of the Central Intelligence Agency, have resumed contact with former OAS leaders since President De Gaulle's bid for French supremacy in Europe, the Insider's Newsletter reported today.

American Embassy officials in Paris are, according to the Newsletter, disturbed over U.S. agents' meetings with the Georges Bidault-Jacques Soustelle group which advocates a pro-Atlantic alternative to De Gaulle, whom they say will eventually hand France and Western Europe to the Communists.

Diplomats say the U.S. agents have met the anti-De Gaullists frequently during the past month in Central Europe where the former backers of the French underground move around constantly with the aid of forged passports.

The Embassy officials deplore, the Newsletter says, what they call another example of hamhandedness on the part of the cloak-and-dagger men who "see politics purely in terms of whom you can get to throw out the guy you don't get along with."

They emphasize that the last thing the U.S. Government wants to do is to be shown intriguing with people who have no backing in France except from a mixed bag of fascists, cashiered army officers, and gunmen.

ADDRESS BY CLARK R. MOLLENHOFF

Mr. MORSE. Mr. President, recently the Editorial Association of the State of Oregon made a very wise decision. It invited one of our most able correspondents, Clark Mollenhoff, to go to Oregon and address the national convention of the Editorial Association. It is a memorial lecture that is given each year known as the Eric W. Allen memorial lecture.

Eric Allen was for many years the distinguished dean of the Oregon School of Journalism. I need not tell the Senate that any lecture given by Mr. Mollenhoff deserves reading and deserves being made of historical record.

I therefore ask unanimous consent that Mr. Mollenhoff's lecture of February 15, 1963, be printed in the RECORD.

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

ERIC W. ALLEN MEMORIAL LECTURE

(By Clark R. Mollenhoff, Washington bureau, Cowles Publications, February 15, 1963)

Much has changed in the newspaper world in the 50 years since Eric W. Allen founded the department of journalism at the University of Oregon. Reporters and editors are better educated than in the period of even 25 or 30 years ago. There has been a specialization on many of our larger newspapers that is regarded by some observers as a tremendous step in giving the public a better understanding of such fields as education, science, and labor. Certainly, most local newspaper staffs are better equipped today to report and analyze the activities of local and State government than they were in 1912. Much credit for this progress belongs to men like Eric Allen.

However, there is real reason for asking if the newspapers are keeping pace with the national and international problems that confront our society. These problems involve both bigness and complexity. They are best illustrated by a simple reference to the tremendous increase in Federal responsibilities and Federal expenditures.

In 1912, Federal expenditures were less than $1 billion—$689,881,000 to be exact. Recently, President Kennedy has proposed a budget of $98.8 billion, and it could easily soar over the $100 billion mark. More than $50 billion of the Federal spending will be for defense. This means it will be spent behind a heavy curtain of military security that will prevent the press and the public from examining many of the decisions of Defense Secretary Robert S. McNamara.

There can be little doubt, we have reached the point where it is impossible for any newspaper reporter, or any group of reporters, to engage in a comprehensive analysis of government spending. The size of the spending is staggering. The complexity of the laws and regulations is overwhelming. The powers assumed by the executive branch are almost unbounded.

Yet, somehow, we must manage to examine and criticize this mammoth Federal Government if we are to carry out our assignment in the American democracy. Somehow, we must find the means to expose corruption or favoritism even if it involves areas where the Defense Department may seek to use false claims of military security for a shield. Somehow, we must oppose the arbitrary and arrogant use of authority within the huge bureaucratic agencies. Somehow, we must keep all channels of information open unless the real military security of our Nation is at stake. And even in those areas where genuine military security can be claimed, we must assure ourselves that the Congress has provided an effective check on the use of arbitrary power by the executive branch.

Bound up in these press responsibilities is the most vital issue of our time: Can the United States fight effectively in the long-range cold war, and also continue to function as a real democracy?

The newspapers of the United States must carry a heavy responsibility, if not the major responsibility, in the determination of how that question will be answered in the next 10 to 20 years ahead of us. Newspaper editors and reporters must be able to understand the problem of obtaining information from Government. They must know all the avenues for obtaining information, and must recognize when those avenues are being barricaded. They must recognize when a false claim of military security is used to cover up matters that are simply embarrassing to the executive branch.

It is not enough for our editorial pages to shout "freedom of information" or "news management" with a fervor. It can be relatively easy to deplore the news managers on a well-publicized Federal case where others have led the way. However, it is more important that you be able to do your own analysis of Government operations to expose the unjustified secrecy that slips into Government agencies under many different guises.

Many journalism schools and many professional newspaper organizations are doing a laudable job of trying to promote a greater interest in depth knowledge of Government information problems. However, the effort is still far from successful.

It is unfortunate that deep splits have developed in the ranks of the working newsmen that tend to hurt the entire cause. One group tends to scoff at the resolutions passed by freedom of information committees as being ineffective. This group may point to an enthusiastic resolution supporter who does not follow through in his daily operations. There is the claim that all that is needed is good reporting to break through any of the information barriers.

Such feuding tends to weaken the newspapers on an issue upon which they should be united. There is no doubt that good aggressive reporters and editors can do a great deal to break through news barriers. However, when the problem becomes national in scope, there is also the need for strong and unified support from other newspapers and from professional organizations. It is seldom that one reporter or one newspaper can break through a secrecy wall on the national level if there is not general newspaper support. It is even more difficult if there is active opposition from well-known but poorly informed national columnists.

Fortunately, most of the columnists are reasonably well informed on this issue, but some are not. One well-known columnist screamed about "news management" but a short time later supported a total arbitrary secrecy in a claim of "executive privilege."

How could he complain that an administration was engaged in news management by putting out favorable press releases, and then defend that administration for arbitrarily barring Congress from investigating behind the self-serving declarations in the news releases. Some might contend that the man was forsaking journalistic principles to promote the things he felt were expedient.

He was not dishonest. It was worse than that. He simply does not know Government operations. He writes the big picture, second-guessing the President, the Secretary of Defense and the Secretary of State on all types of broad policy issues. Yet, I know from considerable personal experience that he is unfamiliar with the detailed little pictures that are necessary if one is to draw sweeping conclusions on the so-called big picture.

This columnist had no understanding of the laws, regulations, or court decisions involved in the problem of executive privilege. Secrecy was wrong one week because it interfered with a story he was pursuing. Broader secrecy was acceptable the next week because it seemed to bar information from a Senator he did not like.

Over a period of years, I believe that the activities of our journalism schools and our professional newspaper organizations can do a lot to eradicate or minimize such misleading commentary.

As far as the overall information picture is concerned, I do not want to be an alarmist. However, I do want to express concern

over a number of actions in the Kennedy administration that deal with the information policy. Some are mere extensions of the Eisenhower administration's policies, and some seem to carry the New Frontier stamp.

I do not believe we are faced with public officials who want to interfere with the rights of a free press or the proper operations of our democracy. However, this does not mean that I believe we can count on the good intentions or the self-serving statements of any administration. The President and others charged with the responsibility for military defense can easily rationalize steps to bar the press or Congress from embarrassing information. The political aspirations of nearly every high official in the executive branch tend to make it easy to justify press releases that give an overly optimistic picture of how well Government is being administered.

The men heading our Government may have the best interests of the press at heart, but it is cause for concern when Assistant Secretary of Defense Arthur Sylvester starts to talk of an inherent right to lie about defense matters. This is particularly troublesome when it is accompanied by a directive which makes it necessary for all civilian and military officials at the Pentagon to report all conversations with reporters before the close of business each day.

Take such pronouncements in context with other developments in recent years, and it is apparent why newsmen should be giving more serious study to the laws and practices on Government information. Just review some examples:

When an Air Force navigator was crippled for life in a bomber crash, the Air Force denied him Government records he needed to press a damage claim.

When a Government investigator displeased his superiors with a report on misuse of U.S. foreign aid to Cambodia, the State Department refused him access to his own personnel records which, he claimed, would show he was railroaded out of his job.

The Defense Department refused to allow a Senate committee to question Defense censors on their official actions.

The State Department refused Congress access to records containing evidence of fraud in foreign-aid spending in Laos and Peru.

The Atomic Energy Commission and the Budget used an arbitrary secrecy ruling to hide a conflict of interest which made a multimillion-dollar power contract illegal.

A State Department official refused to give the Senate Foreign Relations Committee a copy of a controversial foreign relations planning paper.

High State Department officials accused a foreign government representative of bribery, but refused to produce documents or testimony to support the charge.

Even a Government agency, the General Accounting Office, was denied access to official Navy, Air Force, and State Department records despite a specific law giving GAO such right of access.

These are not examples of what might happen in the United States under an all-powerful authoritarian executive branch of Government. These are only a few of the cases demonstrating what has happened in the American Democracy in recent years under an arbitrary claim of a right to unlimited secrecy.

This unlimited secrecy has been promoted under the term executive privilege. Through a simple self-serving declaration that the public interest is involved, officials of the executive branch have pulled down the broad secrecy curtain. The public, the press, the Congress and even the courts are barred from records of testimony from Government officials or records of official acts.

President Eisenhower claimed his administration could bar Congress and the GAO from any records or testimony containing advice of high level officials.

President Kennedy has taken the Eisenhower thesis and extended it to declaring that he will not allow the questioning of subordinate officials of our career service on their official acts.

Executive branch officials admit there is hardly a paper of importance in any Executive agency that does not include the opinions, conclusions or recommendations to qualify for an executive privilege secrecy stamp.

The result is a doctrine that disregards the law, flies in the face of court decisions, scoffs at the right of the public to be informed and arrogantly rejects the processes of Congress.

In its simplest form, it is a proclamation that the executive branch cannot be challenged in its invocation of total secrecy. It strips away, or diminishes, the constitutional right of the Congress to investigate the administration of laws.

Neither the Eisenhower administration nor the Kennedy administration has used the ultimate power inherent in the executive priviledge doctrine. Total application of this doctrine would create a public uproar for it would be executive tyranny. Both administrations have made much information available that might have been hidden by executive privilege, and in some cases information was revealed that was against the political interests of the administration in power. However, in many of these cases, the executive branch officials had no real choice for there was already enough information in the public domain to make a coverup impractical.

It would have been poor politics for the Kennedy administration to have tried to use executive privilege to pull down the secrecy curtain on the Billie Sol Estes case. When the McClellan committee started its investigation of Estes in April there had already been an exposure of large segments of the Estes case by a Texas newspaper and by Texas attorney general Will Wilson.

Use of executive privilege at that point would have meant political disaster for Agriculture Secretary Orville Freeman. Pulling down a secrecy curtain in the fact of strong evidence of fraud would have been similar to claiming the fifth amendment. Freeman couldn't afford secrecy in the face of evidence indicating fraud or favoritism. The Kennedy administration couldn't afford to face a charge of coverup on the first major scandal problem.

The Kennedy administration opened the records for Chairman MCCLELLAN, and for a House subcommittee headed by Representative L. H. FOUNTAIN, Democrat, of North Carolina. Investigative reports were made available to the press and to the Senate and House investigators. High-level officials testified on their opinions, conclusions, and recommendations in the cotton allotment decisions that favored Billie Sol Estes, and on the decisions that resulted in Estes being named to the National Cotton Advisory Board.

Low-level officials testified in detail on their dealings with Estes. Nothing was withheld, the administration claimed.

The open Government policy in the Estes case was a complete reversal of form for the Kennedy administration. Less than 2 months earlier, President Kennedy had given his approval to a Defense Department decision to refuse to allow a Senate armed service subcommittee to question Defense censors on their official actions.

Defense Secretary Robert S. McNamara used the secrecy of executive privilege to block the Stennis subcommittee from questioning the censors on specific changes in speeches of high ranking military officers.

On February 8, 1962, President Kennedy wrote to McNamara:

"I have concluded that it would be contrary to the public interest to make available any information which would enable the subcommittee to identify and hold accountable any individual with respect to any particular speech that he has reviewed.

"I therefore direct you, and all personnel under the jurisdiction of your department, not to give any testimony or produce any documents which would disclose any such information."

President Kennedy did not contend that the national security of the country might be jeopardized in the questioning of the censors. He did not contend that defense or state secrets of a highly classified nature might be involved. This would have been ludicrous.

So, the President simply gave his view that it was "in the public interest" and the secrecy of executive privilege was claimed.

It was politically practical to assert a claim of unlimited secrecy in the censors' hearings, because Senator STROM THURMOND, Democrat, of South Carolina, was the major opposition. Senator THURMOND held a position on racial and economic matters which had little national appeal, and he was regarded as a symbol of extreme right-wing thinking. It was Senator THURMOND who contended that the Pentagon and State Department censors were watering down the speeches of generals and admirals, and were in essence pursuing a no-win philosophy. The Defense and State Departments denied the allegation, and the Armed Services Subcommittee, under Chairman JOHN STENNIS, Democrat, of Mississippi, was established to do a full investigation of the controversial blue penciling.

The Defense Department made copies of the public speeches available, and McNamara and others testified on the general policy under which censors operated. However, the important question was how the policies were interpreted and applied by the actual censors. That question was never answered, because the claim of executive privilege was used to avoid pinpointing of responsibility for specific actions.

This was not a wild and free-swinging investigation under an irresponsible chairman. This was not a committee operating outside of its jurisdiction, and engaging in abusive treatment of witnesses. It was a properly authorized subcommittee of the Senate Armed Services Committee; it was operating within its jurisdiction, asking for Government records and asking questions that were pertinent to the inquiry.

McNamara declared that the Congress would have to content itself with his self-serving declaration—his high-level handouts—and would be prevented from going behind his assertions. Amazingly, the editorial cheers for McNamara were deafening. He was cheered because he was defying Senator THURMOND.

The question of whether Senator THURMOND was right or wrong in his conclusions on the censors was not important. He had the right to be wrong, as long as he conducted himself in a proper manner, and asked pertinent questions in a legitimate investigation. He had fully as much right to ask questions as any member of the press, and he had a right to expect answers that were truthful.

The press should examine its performance in this case as it considers that information policies that were adopted later by McNamara and Sylvester. The press forgot principles for the moment in the interest of kicking a Senator who held an unpopular view. The press also forgot its own long-time self interest.

McNamara was arbitrary, he was defiant of the power of Congress, and he was crowned a hero. Was it any wonder that he and

Sylvester were confident in seeking the maximum in their more recent news managing ventures in connection with the Cuban affair? W.s it any wonder Pentagon officials and the White House believed it was possible to adopt the Sylvester directive to control press contacts at the Pentagon?

Pentagon reporters have characterized the Sylvester directive on press contacts as a "Gestapo" tactic. They comment that they feel the Sylvester direct've, if implemented, will have the potential for shutting off legitimate dissent on policy matters that have nothing to do with national security. Even if the order is not fully implemented, it is felt it will be a club over the heads of military and civilian personnel. It is a formal order, and can b: used as a basis for disciplinary action at the times when the McNamara team wants to use it to curb dissent.

Defense Secretary McNamara may want to run the Defense Department in the best and most efficient manner. We can credit him with wanting to achieve the maximum military strength for the minimum expenditure. We can assume that he believes his policies are in the best interests of the Nation. However, the same thing could have been said for most of our past Secretaries of Defense and their military chiefs.

The present administration did not accept the Eisenhower administration's assessment of its achievements. In fact, President Kennedy and Gen. Maxwell Taylor, the present Chairman of the Joint Chiefs of Staff, were sharply critical of the defense policies of President Eisenhower. Since assuming office, they have stressed that the Eisenhower administration policies resulted in what they believed to be serious military weaknesses. They have assured us that Defense Secretary McNamara and General Taylor have been working feverishly and have repaired many of the weaknesses in our defense armor.

The men who are now leading our Nation did not want us to accept the self-serving declarations of the Eisenhower administration on our defense posture. Now they contend that what they found demonstrated the former policies were wrong.

Are we now to assume that we have finally found that infallible team composed of men who will instinctively know what is best for us? Are we to assume that McNamara, only 2 years in the job, can produce the right answers on complex problems of defense without the benefit of dissent or public debate?

The press should be insistent that the Sylvester directive is wiped off the books. The effectiveness of the press in opposing the directive will depend upon its persistence. While it has been encouraging to see the Nation's press genuinely irritated over the Sylvester order and the attitudes that surround it, it is doubtful that this fury will continue.

If there is sharp and continued criticism, I have no doubt the Sylvester order will eventually be modified or withdrawn.

However, if the Nation's newspapers follow a characteristic pattern, the fury will soon give way to a few mild protests, and these will in turn give way to a whimpering acceptance of the chains. The short attention span of many newspapers will mean that the Sylvester directive will be forgotten, and the high-level handout collecting that goes with it will become an accepted part of the Washington news-gathering picture.

The press has an obligation to rip the Sylvester directive apart at every opportunity, not only because it is bad, but because it can become the pattern for further similar directives if it survives.

Past history should pretty well demonstrate that the executive branch does not do a good job of investigating itself. This is particularly true of the Military Establishment. It was the Congress that revealed the scandals involving Gen. Benny Meyers. It was the Congress that pulled loose the scandals involving Harry (the Hat) Lev and the New York procurement office. It was the Congress that produced the "Chamber of Horrors" on military buying practices generally. It was the Congress that revealed the details of the classic military corruption and mismanagement in the construction of an airstrip at Fort Lee, Va.

These scandals were actually being hidden or disregarded by the Pentagon until the Congress stepped in and forced aggressive action. Our thinking on future problems should be keyed to these documented studies of the past.

We should remember that the Symington Armed Services Subcommittee has demonstrated that several billions of dollars were wasted in the stockpiling of strategic and critical material. A vast curtain of secrecy covered the stockpile purchasing and the political letters and questionable decisions that went into the creation of that $9 billion stockpile.

By now the lesson should be clear. Government secrecy has been used to hide corruption, mismanagement, and arbitrary abuse of power.

However, we must accept some secrecy as necessary to cover some military matters and some diplomatic negotiations. (Also, some secrecy is provided by law, such as in the income tax field.)

Our job is to see that the secrecy is limited to the areas clearly defined by laws and regulations. Even in the areas of military security and diplomatic negotiations there must be an avenue for review by proper committees of Congress and by the General Accounting Office.

Today we have four basic information problem areas:

1. The common news management in which an administration releases information that is most favorable to its activities, and makes it difficult to obtain contrary facts.

2. Such special directives as the Sylvester order of October 27, 1962, to control all press contacts at the Pentagon.

3. The misuse of military security classifications to cover up mistakes of judgment, malfeasance, and incompetence on the part of an incumbent administration.

4. The arbitrary and unlimited secrecy claim inherent in the executive privilege doctrine as stated by President Eisenhower and carried on by President Kennedy.

Of all these problems, I am least concerned about simple news management as it is usually defined. Usually this term refers to the timing and wording of Government press releases to put the best foot forward for the incumbent administration. I am concerned only when the administration insists we accept these self-serving declarations, and then refuses to allow us to go behind them.

I am most gravely concerned about the executive privilege doctrine. This doctrine is a naked claim to unlimited secrecy on the whim of the executive branch. It has been used to bar the press, the public, the Congress and the General Accounting Office from examining Government business. It has been used to hide scandals and mismanagement in our regulatory agencies, in the foreign aid program and in the Defense Department.

There is one thing that every citizen can do, and that every newspaper should do, in opposing the Washington coverup:

Give full support to Congress in asserting its right to investigate Government activities and Government spending.

I am not advocating that you should agree with the conclusions that any or all committees of Congress may reach in an investigation. I do suggest that you support the full right of Congress to call for documents and testimony in properly authorized investigations of Government activities.

The executive branch of the Government has grown more powerful year after year, and it seems unlikely that this power will be cut. It may be that a powerful Executive is needed in dealing with the problems of the cold war.

However, I do not believe that many of us would suggest that this great power that is lodged in the President and his official family should go unchecked. If that power is unchecked then we will have lost one of the most important aspects of our form of government—the checks and balances.

The Congress represents the only effective check on the executive branch. All legislative power resides in the Congress, and this means the power to pass laws, to investigate to see how the laws are being administered, and to investigate to determine if new laws are needed.

Every curtailment of the right of Congress to investigate is a curtailment of the right of the press to learn about the operations of Government. This is a curtailment of the public's right to know.

Congress may have its scoundrels, its scandals, and its abuses. But it is well to remember that Congress is a bipartisan body. It has within it the representatives of every shade of political thinking in our society from extreme liberal to extreme conservative. This diversity of thought is the strength of our Congress, and it is the real strength of our system of government. It is our only protection against the arbitrary and unauthorized use of power by the powerful executive branch that exists today.

In the last few weeks, I have read all of the earlier Eric Allen memorial lectures. They covered a wide range of interests, as diverse as were the interests of the men who gave them. However, it did seem to me that through them all ran one dominant theme—one basic belief:

Freedom of the press exists only to provide for reporting and commentary on public affairs. We are true to our profession only as we work to provide the light that makes the democratic process more effective.

It cannot be emphasized too often that our basic responsibility is governmental affairs. It was encouraging to see that all of your past Eric Allen speakers were in agreement on this point. In one way or another, each of them sought to demonstrate that the comics, gossip columns, fashions, sports and the puzzles—necessary as they may be in making mass appeal—are not the press activities the framers of our Constitution had in mind in guaranteeing a free press.

I believe Eric Allen would have found something of value in each of those earlier lectures, and I am sure he would have found the compiled lectures carried an inspiration greater than any single one.

We need a full measure of inspiration, as well as perspiration, to handle our responsibilities in these days of $100 billion budgets. We need a persistent devotion to our tasks if we are to understand and control the high cost of government secrecy at the city, county, State, or Federal level.

The future of democracy is contingent upon whether we can subordinate political partisanship and petty differences for basic principles. This is the least we can do to honor the memory of men like Eric Allen.

NATIONAL EDUCATION IMPROVEMENT ACT OF 1963—POSITION OF NEA

Mr. MORSE. Mr. President, the National Education Association Division of Federal Relations provides a most interesting and informative report to its membership through a publication entitled "Washington Outlook on Education."

The February 1, 1963, issue is devoted to the National Education Improvement Act of 1963, which I had the honor to introduce as S. 580.

Since this brief statement contains not only an excellent summary of the bill but, in addition, the official position of the NEA as voiced by Dr. William G. Carr, executive secretary of the NEA, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

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

HILL GETS NATIONAL EDUCATION IMPROVEMENT ACT

President Kennedy on January 29 called for a comprehensive program to help overcome shortcomings in American education. The 24-point program was wrapped up in a single bill (S. 580) (MORSE, Democrat, of Oregon) providing Federal aid to education from the elementary through the postgraduate level. Companion bills were introduced in the House by Representative POWELL, Democrat, of New York; PERKINS, Democrat, of Kentucky; GREEN, Democrat, of Oregon; ROOSEVELT, Democrat, of California; and SICKLES, Democrat, of Maryland.

PSYCHOLOGY OF THE COMPREHENSIVE APPROACH

Mr. Kennedy told Congress that he is not the first but "I hope to be the last" President to call the Nation's attention to its needless shortcomings on education. Outlining his 24-point program in a special message to Congress, the President explained the single-bill approach, saying:

"To enable the full range of educational needs to be considered as a whole, I am transmitting to the Congress with this message a single, comprehensive education bill—the National Education Improvement Act of 1963. For education cannot easily or wisely be divided into separate parts. Each part is linked to the other. The colleges depend on the work of the schools; the schools depend on the colleges for teachers; vocational and technical education is not separate from general education. This bill recalls the posture of Jefferson: 'Nobody can doubt my zeal for the general instruction of the people. I never have proposed a sacrifice of the primary to the ultimate grade of instruction. Let us keep our eye steadily on the whole system.'

"In order that its full relation to economic growth, to the new age of science, to the national security, and to human and institutional freedom may be analyzed in proper persepective, this bill should be considered as a whole, as a combination of elements designed to solve problems that have no single solution.

"This is not a partisan measure—and it neither includes nor rejects all of the features which have long been sought by the various educational groups and organizations. It is instead an attempt to launch a prudent and balanced program drawing upon the efforts of many past Congresses and the proposals of many Members of both Houses and both political parties. It is solely an educational program, without trying to solve all other difficult domestic problems. It is clearly realistic in terms of its cost—and it is clearly essential to the growth and security of this country."

THE NATIONAL EDUCATION IMPROVEMENT ACT OF 1963

The bill carries—with some notable concessions—nearly every education request Kennedy has made since taking office. The legislation would help pay for new classrooms, laboratories, libraries, and shops; provide higher pay for better training for teachers; and open new sources of funds for college students.

Unofficially, its total cost over 4 years would be about $5 billion. The comprehensive program calls for new obligational authority of $1.2 billion and actual spending of $143.6 million—above present levels—in the 1964 fiscal year.

The program was tailored to meet some of the congressional obligations that have "dogged" school aid proposals from both Democratic and Republican Presidents. President Kennedy made it clear that he regarded Congress as duty bound to face and solve the religious dispute as well as others facing the school aid proposals. The President emphasized:

"We can no longer afford the luxury of endless debate over all the complicated and sensitive questions raised by each new proposal on Federal participation in education. To be sure, these are all hard problems—but this Nation has not come to its present position of leadership by avoiding hard problems. We are at a point in history when we must face and resolve these problems."

A summary of the major proposals in the National Education Improvement Act follows:

Student loans: Raise the ceiling of $90 million on annual Federal appropriations for college student loans to $135 million and eliminate the yearly ceiling of $250,000 on loans to students at any one institution.

Loan insurance: Supplement direct college student loans by insuring commercial loans to students who could not meet the criteria for direct Federal help. Insured loans would be limited to $2,000 a year.

Work study: Appropriate $22.5 million to pay half of the wages for student campus employment of an educational character of up to 15 hours per week.

Fellowship: Increase the National Defense Education Act graduate fellowship program from 1,500 to 10,000 annually for the next 3 fiscal years, plus 2,000 additional summer session fellowships. These fellowships now pay from $2,000 to $2,400 a year.

Construction: Authorize $1 billion over 3 years of Federal loans to public and private colleges for the building of acedemic facilities.

Junior colleges: Appropriate $50 million for fiscal 1964 and such sums as are necessary for two succeeding years for grants to states to construct community junior colleges.

College libraries: Appropriate $40 million for the first year of a 3-year program to help colleges and universities build libraries and acquire books. Construction grants would be on a 50–50 matching basis, with Federal funds going for only 25 percent of book and material costs.

Graduate schools: Appropriate $40 million to start a similar grant program to expand graduate schools.

Languages: Extend for 2 years existing laws aiding public and private institutions of higher learning in the study of foreign languages with an increase in funds from $8 million annually to $13 million for fiscal 1964.

Teacher institutes: Expand authority for teacher institutes financed by the Office of Education to admit teachers of English, humanities, social sciences, and library personnel; increase funds from $14.5 million to $37.5 million.

Specialized training: Finance, with an initial appropriation of $7.5 million, a 3-year program to help train teachers for the mentally retarded and other handicapped children, of gifted, or culturally deprived children, and of adult literacy.

Teacher preparation programs: Project grants to colleges and universities to strengthen departments and programs which prepare elementary and secondary school teachers. Emphasis will be on subject matter courses, $7.5 million for fiscal year 1964 and necessary sums for next 2 years. Public and private nonprofit education institutions eligible.

Vocational education: Expand such programs to meet the needs of individuals in all age groups for training in occupations where they can find employment in today's diverse labor markets. By increasing Federal expenditures from $50 million to $73 million for the 1964 fiscal year, and necessary sums for each of the succeeding 4 years.

Extension, adult courses: Provide $14 million for grants to States to expand university extension courses in land-grant colleges and State universities and to provide classes for illiterate adults in public schools.

STRENGTHENING PUBLIC ELEMENTARY AND SECONDARY EDUCATION

In the area of elementary-secondary school aid, the President recommended instead of a general aid approach that could at best create a small wave in a huge ocean, our efforts should be selective and stimulative, encouraging the States to redouble their efforts under a plan that would phase out Federal aid over a 4-year period.

The President recommended strengthening elementary and secondary education by:

Selective and urgent improvement of public elementary and secondary education: 4-year $1.5 billion program of Federal grants to States for teacher salary improvement; i.e., increasing maximum salaries, raising low starting salaries, raising low average salaries in economically disadvantaged districts; support for critical classroom construction needs such as overcrowding, fire and health hazards; support for special projects to improve educational quality particularly in disadvantaged rural and urban areas. Appropriation would be authorized so as to phase out Federal support by the end of program. Public schools only.

Acquisition of science, mathematics, and modern foreign language instruction equipment (amendments to title III of the National Defense Education Act): Extends for 2 years title III of the National Defense Education Act for purchase of equipment needed in science, math, and modern foreign language instruction in elementary and secondary schools. Grants to public schools—loans to private nonprofit schools as in present law.

Guidance, counseling and testing (amendments to title V of the National Defense Education Act): Extends counseling and guidance title of the National Defense Education Act for 2 years and increases authorization from $15 million to $17.5 million for fiscal year 1964 and succeeding years. Authorizes testing program for all seventh- and eighth-grade students. Public schools only, except for testing in private nonprofit schools.

Federally affected areas (amendments to Public Law 815 and Public Law 874): Extends all expiring provisions for 4 years; no modifications in payment formulas for first year, with some reduction in the formulas beginning the second year and standardization of the eligibility conditions at 5 percent in the third year; and inclusion of the District of Columbia. Public schools only as in present law.

NEA REACTION

Commenting upon President Kennedy's comprehensive program outlined in his special message on education, Dr. William G. Carr, NEA executive secretary, stated:

"The association welcomes this clear and courageous reaffirmation of the President's concern for education, hails the comprehensive aspects of the program, and is encouraged by the proposals to strengthen American education at the points of most urgent national need. The association will seek the widest possible civic and professional cooperation to secure the enactment of the program as a whole."

Analysis of new obligation authority and expenditures

[In thousands of dollars]

U.S. OFFICE OF EDUCATION

	1962 enacted		1963 estimated		1964 estimated	
	New obligation authority	Expenditures	New obligation authority	Expenditures	New obligation authority	Expenditures
National Defense Education Act:						
Elementary and secondary	72,750	53,644	72,750	54,600	72,750	61,350
Higher education	103,407	96,794	118,700	114,800	118,650	118,650
Other aids to education	34,470	30,900	38,000	34,000	38,220	36,000
Total	210,627	181,358	229,450	203,400	229,620	216,000
Federally affected areas:						
Operation	247,000	226,419	282,322	260,000	320,670	297,901
Construction	61,942	56,490	63,686	59,945	61,784	63,042
Total	308,942	282,909	346,008	319,945	382,454	360,943
College aid (other than NDEA):						
Land-grant college:						
Morrill	2,550	2,550	2,550	2,550	2,550	2,550
Bankhead-Jones	8,194	8,194	11,950	11,950	11,950	11,950
Total	10,744	10,744	14,500	14,500	14,500	14,500
Vocational education:						
Smith-Hughes Act	7,161	7,147	7,161	7,161	7,161	7,161
George-Barden Act	33,672	33,032	34,716	33,800	34,756	34,100
Total	40,833	40,179	41,877	49,061	41,917	41,261
Handicapped teaching:						
Mentally retarded	1,000	916	1,000	997	1,000	997
Deaf	1,575	32	1,500	1,502	(1)	1,500
Total	2,575	948	2,500	2,499	1,000	2,497
Other educational programs:						
Cooperative research	5,000	3,697	6,985	5,740	17,000	11,670
Foreign language training and area studies					2,500	1,600
Library services	7,500	8,197	7,500	7,625	7,500	7,500
Educational research (foreign currency program)		6	400	17	800	685
Total	12,500	11,900	14,885	13,382	27,800	21,455
Salaries and expenses, Office of Education	11,594	11,158	12,899	12,435	16,261	15,574
New educational program (proposed legislation)					1,215,170	143,600
Total, Office of Education	597,815	539,196	662,119	607,122	1,928,722	815,830

OTHER GOVERNMENT UNITS

National Science Foundation	263,041	182,689	322,488	238,000	589,000	343,000
Educational television			2,000	1,000	7,000	4,200
Juvenile delinquency and youth offenses	8,200	1,386	5,810	7,139	13,200	8,431
School milk program			109,997	97,497	102,000	102,000
School lunch program	170,000	169,112	169,993	169,493	182,000	182,000
Educational exchange:						
Mutual educational and cultural exchange	26,999	26,925	41,947	34,000	56,420	42,000
International educational exchange (foreign currency program)	7,400	11,450	(2)	13,000	(2)	10,000
Center for cultural interchange (East-West)	3,300	6,617	8,340	8,000	5,690	6,500
Total, educational exchange	37,699	44,992	50,287	55,000	62,110	58,500
Vocational Rehabilitation, Office of:						
Grants to States	64,450	63,330	72,940	71,754	88,700	86,650
Research and training	20,250	18,875	25,500	24,776	36,830	35,250
Research and training (foreign currency)	1,372	282	2,000	1,310	3,000	2,128
Salaries and expenses	2,325	2,227	2,480	2,456	2,905	2,869
Total, Office of Vocational Rehabilitation	88,397	84,714	102,920	100,296	131,435	126,897
Peace Corps	30,000	11,409	58,550	47,000	108,000	80,000
Surplus property	862	840	891	856	950	937

[1] Legislation expires, included in proposed new legislation.
[2] New obligational authority for 1963-64 included in mutual educational and cultural exchange program expenditures to continue until present funds exhausted.

A BALANCED BUDGET FOR THE U.S. POST OFFICE DEPARTMENT

Mr. JOHNSTON. Mr. President, as recently as October 8 of this past year, I called to the attention of the Senate certain facts upon which I concluded that, following the enactment of the postal rate and pay bill of 1962, the Post Office Department would have a balanced budget by 1965.

Members of this body will recall that in setting forth these data last October, I explained in detail the adjustments which would achieve a balanced postal budget within 3 years. I still believe this possible. Certainly, as the costs of operating our great Postal Establishment reach $5 billion on an annual basis, we should take every precaution to assure the people who foot this bill that they shall have maximum, efficient service at the lowest possible cost. I, for one, hope we shall be able to provide such service for many years to come within the framework of an appropriation of this size. I need not remind this body that the cost of our entire Federal Government just 30 years ago was only $5 billion per year.

In reviewing the President's budget for 1964, the first full year in which our recent postal rate hikes will be in effect, I find that the postal deficit has been pared to $104 million.

I should like to call to the attention of the Senate the fact that there was pending an increase in the fourth class rates, which are regulated by the Interstate Commerce Commission, not by Congress, which would amount to approximately $100 million, which would balance the budget. Furthermore, the President in his message states:

> Additional net revenues are expected to reduce this revenue deficiency in later years as successive stages of the postal rate increases enacted in 1962 become effective.

This, in my opinion, is full verification of the statement I made to the U.S. Senate on October 8, 1962.

As responsible legislators, we owe the American people the responsibility of taking whatever steps are necessary to achieve a balance in our $5 billion postal operation and at the same time improve the service to the people. Certainly, it is my intention that the committee in the near future will undertake studies dealing with postal costs, improvement of mail classification, and the greater use of machinery, for the purpose of achieving this kind of balance. As I have said many times before, our U.S. postal service should be the best in the world—not the most expensive. I firmly believe that we can achieve this balance without detriment to our loyal postal employees.

Any businesslike approach to the problem of this enormous cost should provide ways and means for our employees to cope with the growing volume of mail through more modern methods and equipment and gain for themselves greater rewards in the matter of postal pay and benefits. The key to this, of course, is "productivity."

In his budget message, the President supported this goal as follows, and I quote:

> Furthermore, we shall maintain pressure on each department and agency to improve its productivity and efficiency. Through improved management techniques, installation of modern equipment, and better coordination of agency programs, important productivity gains have already been realized, and further advances will be forthcoming. I mean to insure that in each of the various Federal programs, objectives are achieved at the lowest possible cost.

It seems to me that the executive and legislative branches working in harmony on this can realize economy goals that will keep the postal service within the reach of all the people.

THE PROBLEMS OF THE SOFTWOOD LUMBER INDUSTRY

Mr. JORDAN of Idaho. Mr. President, when I took my oath of office as U.S. Senator last August, one of the first requests I made of my office staff was for a complete study of what had been done to alleviate the growing problems of the

softwood lumber industry in my State of Idaho, the whole Pacific Northwest, and throughout the country. Most of these problems over the past 2 years are a direct result of the fact that Canadian softwood lumber has been imported into this country in sufficient quantities to cause hardship on our own producers. It is significant I think when, by the end of 1962, 17 percent of our total domestic consumption of softwood lumber was Canadian. Throughout the country, but particularly in the Northwest and in my State of Idaho, mills are closing and putting people out of work because the market that was formerly available to them is now being taken over more and more by the Canadians.

The Canadian producers have certain definite advantages over our domestic producers. Among them are: First, the devaluation of the Canadian dollar; second, the Canadian Government's practice of allotting timber concessions without competitive bidding at low stumpage rates; third, lower wages; fourth, less costly and restrictive forest practices, such as setting minimum road standards and low slash disposal rates; fifth, high tariff rates on U.S. lumber shipped to Canada; and sixth, low charter rates for coastwise and intercoastal shipping.

These create a combination of circumstances favoring the Canadian producers against which our domestic producers cannot compete.

For many months Members of Congress have been concerned over this problem of Canadian imports, but until now most of us have preferred to see what relief could be given the American lumber industry by various Government agencies, without resorting to legislation. Many avenues have been tried.

When appeals were initially made to the Federal Government, its first reaction was to recommend a study. Finally, an Intergovernmental Committee was established by the Departments of State, Commerce, Agriculture, and Interior last spring to make recommendations for action. So far, no definite recommendations have been forthcoming from this committee. Last spring the Senate Commerce Committee also held hearings on the problems of the American lumber industry. These hearings included field hearings at which hundreds of lumber-based communities had an opportunity to express their viewpoints. But no major legislation resulted from these hearings.

After other meetings had been held, the next big hurdle which the lumber industry had to cross was that of the U.S. Tariff Commission. At the President's request, after he had expressed great concern for the American lumber industry and had handed down his six-point program, the lumber industry took its case to the Tariff Commission. But, despite the President's expressed concern, and in the face of the facts and figures presented to the Commission by the industry during public hearings on the matter last fall, the Tariff Commission on February 14 sent to the President a report that would deny our lumbermen necessary and needed import relief.

Mr. President, I want to make it clear at this point that I do not intend to be partisan in my remarks today. Here in the Senate the States most concerned with the forest products industry are represented by both Democrats and Republicans.

I will be the first to say that this problem of Canadian imports is one which we must try to solve jointly, as representatives of our various States and not as members of either major political party. This problem transcends party labels.

Furthermore, I do not think that we can sit back and let the Tariff Commission's decision be the end of the matter. This Congress, this Government, this administration, can and should act positively to help the fourth largest industry in this country—the lumber industry—in alleviating one of its major problems.

Mr. President, the February 14 decision of the Tariff Commission was a historic one in two respects: First, it is the largest case ever considered by the Tariff Commission in terms of dollars involved in an industry and employees concerned, and second, this decision was the first rendered by the Tariff Commission under the Trade Expansion Act of 1962. The Commission did acknowledge the validity of the major portion of the lumber industry's claim for relief, but refused to grant relief by referring to the requirements of the Trade Expansion Act which say that the petitioner must prove injury resulting in major part from trade agreement concessions.

I wish to reiterate that point: The Tariff Commission ruled in agreement with the lumber industry that the increased Canadian imports, for various reasons, are making the American lumber industry suffer. But the Tariff Commission maintained that these increased imports were not due "in major part" to prior tariff concessions, thereby ruling out the Commission's right to help the industry through the Trade Expansion Act.

However, I believe that the Tariff Commission's report may have been worth more to the lumber industry than they at this moment realize. The Commission's report made this statement:

> The Commission observes further that while international commitments may deter Congress from legislating in conflict therewith, these commitments do not prevent Congress from so legislating. Congress may, if it so elects, legislate in conflict with any international commitments.

I therefore feel that the Tariff Commission has passed the responsibility to Congress, and I feel that it is our duty to pick it up and to assume the burden for correcting some of the disadvantages under which the U.S. lumber industry is forced to operate and over which it has no control.

The lumber industry—this country's fourth largest industry and one of the top three in Idaho—has worked hard in its appeal to the Government for help in solving the problems created by the inequitable import situation. The industry has even gone so far as to make many practical recommendations and to offer several sound solutions both to Congress and the executive agencies. Believe me, this industry has not merely been sitting back, asking for a Government handout. Its people have been working diligently and hard to put the lumber industry back on its feet. I believe the time has come for Congress to lend them a helping hand in their fight.

Today, I wish to introduce a package of measures which, if enacted, will do much to help the lumber industry. These measures are essentially the same as some which have just recently been introduced into the House of Representatives by various Members of Congress from both parties.

First, I propose the imposition of an import quota of 6 percent, based on the average quarterly domestic softwood consumption in the United States during the calendar years 1960, 1961, and 1962.

Mr. President, I introduce for appropriate reference, a Senate joint resolution to that effect, which I ask unanimous consent to have printed as part of my remarks at this point.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The joint resolution (S.J. Res. 56) requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber, introduced by Mr. JORDAN, of Idaho, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

> Whereas on the 12th of October 1962, a disastrous windstorm caused excessive damage to the forests of the Pacific Northwest; and
>
> Whereas an estimated eleven billion six hundred million board feet of timber was blown down which, if not harvested within the next two years, may result in serious insect damage; and
>
> Whereas this timber must be harvested in order to prevent a greater loss of our country's major renewable natural resource; and
>
> Whereas lumber producers in the Northeast, the Southwest, the Midwest, the Southeast, and the Northwest will be adversely affected by the marketing of an additional two billion board feet of lumber over the next three years from the downed timber; and
>
> Whereas many factors adversely affecting the competitive position of the American lumber producer cannot be solved without Government assistance and cooperation: Now, therefore, be it
>
> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is hereby requested to impose an emergency temporary quota of 6 per centum on the import of softwood lumber for the period of three years. This emergency quota to be determined on the basis of 6 per centum of the average quarterly domestic softwood consumption in the United States during the calendar years 1960, 1961, and 1962.

Mr. JORDAN of Idaho. Mr. President, this joint resolution is a bit broader than a similar one introduced in the House of Representatives. In addition, it takes into account that the lumber industry throughout the whole country, not just the lumber industry of the Pacific Northwest, will be hurt by the marketing of an additional 2 billion board feet of lumber over the next 3 years as a

result of the harvesting of the timber downed by windstorm in the Northwest on October 12, 1962.

Second, I introduce for appropriate reference a bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin. Mr. President, I ask unanimous consent that the bill be printed at this point 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. 957) to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin, introduced by Mr. JORDAN of Idaho, was received, read twice by its title, referred to the Committee on Finance, 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 subdivision (J) of section 304(a)(3) of the Tariff Act of 1930, amended (19 U.S.C. 1304 (a)(3)(J)), is amended to read as follows:

"(J)(1) Such article is of a class or kind with respect to which the Secretary of the Treasury has given notice by publication in the weekly Treasury Decisions within two years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin: *Provided,* That this subdivision shall not apply after June 1, 1963, to sawed lumber and wood products.

"(2) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section."

Mr. JORDAN of Idaho. Mr. President, people in Idaho have been worrying about the situation of the lumber industry in our State for over 2 years. In January 1961 the State Legislature of Idaho passed a joint memorial urging the President and the Congress to take some action to alleviate the problems of the lumber industry.

All segments of our economy in Idaho are vitally concerned about this situation. The businessmen have been, and still are, quite concerned. Last fall, during the months of October and November, I received various letters and resolutions from chambers of commerce throughout the State, particularly in the north, relative to the problem of Canadian imports of softwood lumber. On November 19 the board of directors of the Idaho State Chamber of Commerce unanimously approved a resolution calling upon the President of the United States "to impose fair quotas on Canadian lumber imports and to take whatever action is necessary to insure the survival of the American lumber industry by removing every impediment which makes it impossible for the American lumber industry to compete on an equal basis with other countries."

Just a few weeks ago, because the lumber situation has not been eased but, in fact, has grown worse since 1961, the Idaho State Legislature again passed a joint memorial, House Joint Memorial 1, calling upon Congress and the President to establish controls to regulate the flow of foreign lumber by a quota system and that such lumber be marked to show the country of origin. These first two pieces of proposed legislation which I have today introduced implement this joint memorial of the State legislature.

In addition to the joint memorial passed by the Idaho State Legislature, the Legislatures of Colorado, Montana, and Washington have approved joint memorials calling upon Congress and the President to impose limitations on the import of Canadian softwood lumber; and the Legislatures of Oregon, Texas, and Arizona have similar memorials under consideration.

Mr. President, I ask unanimous consent that House Joint Memorial 1 of the Idaho Legislature be printed in full at this point in my remarks.

There being no objection, House Joint Memorial 1 of the Idaho Legislature was ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 1

To the Honorable Senate and House of Representatives of the United States in Congress Assembled and to the Honorable Secretary of the Treasury of the United States:

We, your memorialists, the members of the House of Representatives and the Senate of the Legislature of the State of Idaho, assembled in the 37th session thereof, do respectfully represent that:

Whereas there is no shortage of timber for the production of lumber and related items in the United States, and

Whereas there is a need to cope with the large volume of blowdown timber on the Pacific coast and to increase the cut from overmature forests to prevent excessive loss from decay, disease, and other causes, and

Whereas U.S. lumber manufacturing firms pay the highest wages and provide working conditions equal to or better than similar firms in other countries, and

Whereas lumber manufacturing firms in the United States are losing their home markets to foreign firms, especially Canada, due to advantages such as (1) depreciated currency; (2) low stumpage rates; (3) noncompetitive bidding; (4) less costly and restrictive forest practices; (5) lower wage rates; (6) high tariff rates on lumber shipped to Canada; (7) low charter rates for coastwise and intercoastal shipping; (8) a cooperative government; and

Whereas lumber imports from Canada are increasing yearly at an alarming rate and now constitute about one-sixth of the annual consumption of lumber in the United States, and

Whereas unemployment in the lumber industry of the United States is increasing with resultant loss of wages to the workers, loss of taxes and income to taxing bodies and communities, and

Whereas there is no longer any justification by reason of a trade agreement between Canada and the United States for exempting Canadian lumber from the requirement that all foreign imports be marked, and

Whereas without foreign imports being marked it is difficult to be certain that the executive orders requiring the use of domestic lumber in certain installations will be obeyed: Now, therefore, be it

Resolved by the 37th session of the Legislature of the State of Idaho, now in session (the house of representatives and the senate concurring), That the Congress, the President, and the Secretary of the Treasury of the United States of America, be respectfully petitioned to give immediate attention to and request action necessary to place the lumber industry of the United States on an equitable and competitive basis with foreign manufacturers through the use of a quota system or other means, including the requirements that imported lumber be marked to show the country of origin, to the end that domestic manufacturers are not placed at a disadvantage with resultant loss of markets, reduction of employment, loss of taxes, and deterioration of communities; and be it further

Resolved, That the secretary of state of the State of Idaho be, and he hereby is authorized and directed to forward certified copies of this memorial to the President, Vice President, and Secretary of the Treasury of the United States, the Speaker of the House of Representatives of the Congress, and the Senators and Representatives representing this State in the Congress of the United States.

PETE T. CENARRUSA,
Speaker of the House of Representatives.
W. A. DREVLOW,
President of the Senate.

Mr. JORDAN of Idaho. Mr. President, there has also been introduced into the Idaho Legislature a proposed National Products Preference Act. This bill would require that a preference be given to domestic forest products in any State-supported construction when the price quoted for the same is not more than 20 percent in excess of the lowest bid or price.

These actions by the Idaho State Legislature clearly indicate the statewide concern in Idaho with the problems of our lumber industry.

Since February 1, several resolutions have come into my office from the lumber workers of Idaho themselves. So far, a total of 2,300 lumber workers in my State have signed the resolutions which I have received. These men are perhaps more vitally concerned than any other group. This is affecting their bread and butter—their very livelihood.

Their resolutions ask this:

That the Congress and President of the United States of America be respectfully petitioned to give immediate attention to and request action necessary to place the lumber industry of the United States on an equitable and competitive basis with foreign manufacturers through the use of a quota system or other means, including the requirements that imported lumber be marked to show the country of origin.

Incidentally, one lumber company in my State of Idaho feels so strongly about the necessity of marking lumber with its country of origin that it has voluntarily taken the lead in this practice and at this time is so marking its lumber.

Last year, another avenue which the lumber industry tried for relief was asking for assistance under section 22 of the Agriculture Adjustment Act. The Solicitor of the Department of Agriculture at one point informed the Senate Committee on Agriculture and Forestry that, in his opinion, lumber, or actually trees, is an agriculture commodity. But later the Secretary of Agriculture said that section 22 of the act could not be applied for relief of the lumber industry. Also, the Department of Justice has informally advised lumber officials that

they do not look with favor upon this plea. So it appears that we must again resort to legislation to have trees included as an agriculture commodity.

The third measure I introduce today for appropriate reference would amend section 22 of the Agriculture Adjustment Act so that the Secretary of Agriculture can include lumber and wood products as an agricultural commodity under the act, enabling the lumber industry to get protection from competition from foreign imports. Mr. President, I ask unanimous consent that the bill be printed at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The bill (S. 962) to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773; 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act introduced by Mr. JORDAN of Idaho, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, 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 section 22 of the Act of August 24, 1935, as amended (49 Stat. 773; 7 U.S.C. 624), is hereby amended by adding to the end of subsection (a) the following language: "For purposes of this section, 'agricultural commodity or products thereof' shall be deemed to include lumber and wood products."

Mr. JORDAN of Idaho. Mr. President, in connection with the bill requiring that lumber be marked with the country of origin, I introduce for appropriate reference a fourth bill, requiring that only lumber and other wood products which have been manufactured in the United States may be used in construction or rehabilitation covered by FHA-insured mortgages.

Mr. President, I ask unanimous consent that this bill be printed at this point in my remarks.

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. 958) to amend the National Housing Act to provide that only lumber and other wood products which have been produced in the United States may be used in construction or rehabilitation covered by Federal Housing Administration insured mortgages, introduced by Mr. JORDAN of Idaho, was received, read twice by its title, referred to the Committee on Banking and Currency, 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 title V of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 517. Notwithstanding any other provision of law, no mortgage or loan shall be insured by the Commissioner under any provision of this Act after the date of the enactment of this section unless he receives satisfactory assurances that all lumber and other wood products used in the construction or rehabilitation of the structure covered by the mortgage or loan will have been produced (and processed) in the United States; except that the Commissioner may, under rules and regulations promulgated by him, permit the use in any such construction or rehabilitation of lumber or other wood products which were produced (or processed) in a foreign country if he determines that neither the species of tree yielding the wood involved nor any species of tree yielding wood which is equivalent for the intended purpose is grown in the United States."

Mr. JORDAN of Idaho. Mr. President, I also ask unanimous consent that all four measures and the resolution be held at the desk for 1 week, for additional sponsors. Senators of both parties have indicated to me their desire to cosponsor these bills with me, to do their part to help bolster a declining American lumber industry.

Something must be done to correct some of the disadvantages under which the U.S. lumber industry has been forced to operate in recent years. I believe that these bills offer a fair and reasonable solution to some of the problems confronting the lumber industry over which it has no control, and I am hopeful that they will receive speedy consideration. People all over the country, directly or remotely connected with the lumber industry, from the lumberworkers and the millowners to the storekeepers who serve them and the consumers who buy wood products, are now looking to the Congress for action.

Mr. President, I assure the Senate that I am willing to cooperate with all persons who are interested in the plight of the softwood lumber industry in the United States. If other bills of a similar nature are introduced, I hope we shall work together to achieve the enactment of constructive legislation which will relieve this basic industry of some of the troubles which beset it.

The PRESIDING OFFICER. Without objection, the bills and joint resolution will lie on the desk, as requested by the Senator from Idaho.

Mr. MUNDT. Mr. President, I want to take this opportunity to congratulate the Senator from Idaho [Mr. JORDAN] on the excellence of his maiden speech on the floor of the Senate and on the proposals which he is advancing here today in behalf of the lumber industry which is, as all of us know, so depressed economically. I am happy to join the Senator from Idaho in support of the resolutions which he is offering today with the hope they will be promptly considered and approved by the Congress so that the lumber industry can look forward to the future with hope.

Mr. President, all of us from lumber-producing States are deeply disturbed at the long-range effects of the decision of February 14 which was handed down by the U.S. Tariff Commission in the case brought before it by the softwood lumber industry. This is the first decision handed down by the Commission since the Trade Agreements Act of 1962—which I voted against—and it very dramatically points up the ineffectiveness of the so-called protective feature of this act for American industries. The Tariff Commission in effect ruled that though the Canadian lumber imports have risen significantly and the domestic lumber industry has suffered greatly, the increased imports cannot be directly related to a prior tariff concession, which is required by the 1962 act. Thus, while the Commission recognizes that a great industry is being economically depressed, small business operations made inoperative, and the breadwinners of families forced on to the unemployment rolls this Commission is unable under existing law to take any action to assist these American taxpayers and citizens. All the Tariff Commission can recommend is for the small businessman engaged in lumbering to go bankrupt or to close down his mill and for the man unemployed by such action all they can offer is the right to draw unemployment compensation. This, Mr. President, is not the American way or the American dream.

Mr. President, I hate to say "I told you so" but last September 21 in a speech on this Senate floor, I predicted that the Trade Agreements Act of 1962, which we at that time had just enacted, would not meet the needs of our various agriculture industries.

Consequently, I reluctantly voted against the act although I favored the objective of expanded international trade toward which it moved without the necessary safeguards for American industry, especially the agricultural and natural resources sectors of it.

In fact, in the CONGRESSIONAL RECORD, volume 108, part 15, page 20347, I stated:

I wish I could believe that the bill which the Senate passed this week, the Trade Expansion Act of 1962, contains provisions which will provide for protective measures for this great segment of our agriculture industry. I fear that it does not. I fear that agriculture and my great area of our Nation may be in for some increasingly difficult times because of the action of the Senate.

Mr. President, my fears have been increased by the decision of February 14 by the Tariff Commission.

Mr. President, as we look back down the road where we have been we can see that we do not have on the books the needed protective provisions of law in this area. When we have an industry such as the lumber industry where mills are closing and people are being unemployed because the market is being taken over by imports from another country, I think it is time we in the legislative halls take another look at where we have been and decide where we are going if we are going to legislate so that American industry can look to the future with hope for success. The first decision of the Tariff Commission brought before it under the provisions of the act of 1962 points up very dramatically that the Tariff Commission has virtually ceased to exist as an effective agency to which any suffering domestic industry or its employees can turn for relief. Therefore, in order to restore effectiveness to the Tariff Commission and to offer to American industry and the working men and women of this country, some semblance of hope for their economic future, this Congress should take the action proposed in the legislation which my colleague from Idaho has introduced here

today. While these proposals are not the complete answer to the problem they are certainly an affirmative step in the direction of guaranteeing the right of American industries to survive and provide jobs for American citizens.

Mr. President, may I remind the Senate once again of a statement made by President Kennedy in Salem, Oreg., on September 7, 1960, in which he said to a timber-based community:

> It is time for a fresh and imaginative program to resolve the problem of our Nation's timber industry and in 1961 we are going to put such a program into action.

This was an excellent statement of intention. Unfortunately the implementation of it has been most unrewarding. It is now 1963—almost 2½ years since that statement was made and yet no definitive action has been taken which will bring economic relief to the timber industry. In fact, the only action taken through the Trade Agreements Act has added to the plight of the industry.

Therefore, Mr. President, I urge the Senate and the administration to support the proposals which are advanced here today so that we can resolve the problem of our Nation's timber industry and bring a ray of hope to the economic future of the men and women who depend on the success of this industry for their livelihood.

FINANCIAL ASSISTANCE TO STATES FOR CONSTRUCTION OF PUBLIC COMMUNITY COLLEGES

Mr. CASE. Mr. President, I introduce, for appropriate reference, a bill which provides a program of financial assistance to the States, for the construction of public community colleges. I ask unanimous consent that the text of the bill and an analysis of the bill be printed in the RECORD, following my remarks. I also ask unanimous consent that the bill be held at the desk for 5 days, so that additional Senators may sponsor the bill if they so desire.

Mr. President, many factors point to the continued growth of these unique educational institutions. The time is rapidly approaching when community colleges should become as general in our country as central high schools. The growing need for skilled technical and professional workers means that we must extend our range of general education beyond the high school and must carry it into at least 2 years of college.

During the 1950's there was a 58-percent increase in the number of skilled technical and professional workers. In the 1960's, the indications are that this tremendous growth will spurt even higher as the pressures of automation and other technological progress make their impact on our employment situation.

Higher education is no longer a luxury. Parents throughout the country recognize that unless their youngsters are equipped with adequate education, they will be among the job leftouts who seek the good jobs, but find they are not qualified for them.

In addition, the complexity of public problems which every citizen must face makes it essential that the young people of today become alert and informed adults capable of understanding and participating in the resolution of the great issues of tomorrow.

Throughout the Nation there have been encouraging signs that the value of community colleges is being recognized. Several States have made audits of their higher education facilities and have measured them against the steadily increasing pressure of demand for college training. In evaluating these studies, numerous States have come to the conclusion that the community colleges offer tremendous advantages in meeting present and anticipated needs.

The community college is indeed a community institution. Within its facilities there is the capability for meeting a wide range of needs in the community, and to do so economically.

The community colleges provide a 2-year terminal program for students not going on to a 4-year college course, a transfer program for those who do wish to complete a college training program of 4 or more years, technical training for those who desire to enter skilled vocational and subprofessional careers, and continuing education for adults who want to further their education while working.

On the fiscal side, they are economical to establish and they are economical to attend. Community colleges do not include expensive dormitory and eating facilities, and, therefore, do not require the tremendous sums involved in such structures. Student expenses are usually low, because, for the most part, junior colleges are within commuting distance, and thus make it possible for students to live at home and, if need be, to work part time in their own communities.

In New Jersey, these community colleges have received a great impetus through the enactment of legislation to assist counties in establishing colleges. The very presence of these colleges within sight of high school students who are thinking about their future is bound to make the difference between having many qualified youngsters go on to college or having them write "the end" to their education at the high school exit doors.

In the past session of Congress, one of the most bitter disappointments was the defeat of higher education legislation. At first, all of us were encouraged when the House passed a bill by a vote of 319 to 79, and later the Senate passed a similar bill by a vote of 69 to 17. Then the bills went to conference, and finally the conferees found a way to work out an agreement on the proposed legislation. But a majority of the House of Representatives voted to recommit the measure, and it died.

My proposal for Federal aid to community colleges was a part of the Senate-passed bill, and was included in the conference recommendation. In fact, there was no opposition to this program, either in committee or on the floor of the House or on the floor of the Senate. The disagreements about provisions of the higher education legislation dealt with other parts of the program. It is clear that we need such legislation.

My bill, which is in the form passed last year by the Senate, would provide a 5-year program of matching grants to public colleges, with $50 million a year indicated as the Federal share. The administration's omnibus education bill adopts my bill for a 3-year period.

The demand for the development of facilities for adequate training grows stronger each year. In our State of New Jersey, for example, the high schools will graduate over 15,000 more seniors 4 years from now than they did last June, and the percentage of seniors who want to go to college has been steadily rising. It is estimated that by 1966, 40 percent will want to go on.

Numerous States, including my own, have been export States in the higher education field, sending forth each year numerous boys and girls who must look elsewhere for college opportunities. The program which I offer in this bill will help thousands of youngsters obtain a higher education. This will be useful to them and useful to the Nation, for unless we realize the fullest potential of our young people, we shall not be able to realize the fullest potential of our Nation's most important resources.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and analysis will be printed in the RECORD, and the bill will be held at the desk, as requested by the Senator from New Jersey.

The bill (S. 956) providing a program of financial assistance to the States for the construction of public community colleges, introduced by Mr. CASE, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, 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 this Act may be cited as the "Emergency Public Community College Construction Act of 1963."

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. The Congress recognizes that the Nation faces a severe shortage of college facilities for the training of qualified young men and women. It also acknowledges the steady growth in need for semiprofessional and technical workers who require more preparation than high school, but less than four years of college.

It is therefore the purpose of this Act to assist in—

(1) supplying the greatly increasing need for college training facilities, and

(2) solving the problem of increasing costs for such training,

by providing a five-year emergency program of financial assistance to the States in constructing public community college facilities in such locations as will make such facilities accessible to the homes of as many individuals as may be possible.

AUTHORIZATION OF FUNDS

SEC. 3. For the purpose of this Act there is authorized to be appropriated $50,000,000 for each of the five successive fiscal years be-

ginning with the fiscal year beginning on July 1, 1963.

ALLOTMENTS TO STATES AND FEDERAL SHARE

SEC. 4. (a) The sums appropriated pursuant to section 3 shall be allotted among the States on the basis of the income per person and the number of high school graduates of the respective States. Such allotments shall be made as follows: The Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the sums appropriated pursuant to section 3 for such year as the product of—

(A) the number of high school graduates of the State, and

(B) the State's allotment ratio (as determined under subsection (c))

bears to the sum of the corresponding products for all the States.

(b) The allotment to any State under this section for any fiscal year shall be available until the end of the succeeding fiscal year for payment to it of the amounts certified, not later than the end of the fiscal year for which the allotment was made, by the State agency as the Federal share of the cost of constructing public community college facilities under the State plan approved pursuant to section 6.

(c) For purposes of this Act—

(1) The "allotment ratio" for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that (i) the allotment ratio shall in no case be less than .25 or more than .75, (ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be .75, and (iii) the allotment ratio of any State shall be .50 for any fiscal year if the Commissioner finds that the cost of school construction in such State exceeds the median of such costs in all the States by a factor of 2 or more as determined by him on the basis of an index of the average per pupil cost of constructing minimum school facilities in the States as determined for such fiscal year under section 15(6) of the Act of September 23, 1950, as amended (20 U.S.C. 645), or, in the Commissioner's discretion, on the basis of such index and such other statistics and data as the Commissioner shall deem adequate and appropriate; and

(2) The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

MATCHING REQUIREMENT

SEC. 5. Payment of the full Federal allotment to a State shall be contingent upon the matching of Federal funds by State or local funds, or both, as follows: Each State shall match the Federal allotment by an amount equal to the product of (1) the number of high school graduates in the State and (2) the difference between the national base and the Federal allotment to the State per high school graduate of the State: *Provided*, That in no case shall the State matching payment be more than twice the Federal allotment. To the extent that a State's matching payment falls short of the matching requirement, its Federal allotment shall be proportionately reduced.

STATE PLANS

SEC. 6. (a) Any State desiring to accept the benefits of this Act shall submit a State plan for carrying out the purpose of this Act. The Commissioner shall approve any such plan which—

(1) designates the State agency responsible for administering the plan throughout the State;

(2) contains satisfactory evidence that such State agency will have authority to carry out such plan in conformity with this Act;

(3) provides fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting for Federal funds under this Act and to assure proper applicaton of non-Federal funds used in connection therewith;

(4) provides for the establishment of standards, in accordance with the purpose of this Act, for locating, planning, and constructing public community college facilities;

(5) provides for affording to every applicant, whose application for funds for a construction project under the State plan is denied, an opportunity for a hearing before the State agency; and

(6) provides that the State agency will make such reports to the Commissioner, in such form and containing such information, as are reasonably necessary to enable the Commissioner to carry out the provisions of this Act.

(b) The Commissioner shall not finally disapprove any State plan submitted under this Act, or any modification thereof, without first affording the State agency submitting the plan reasonable notice and opportunity for a hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency, finds that—

(1) the State plan submitted by such agency and approved under this section has been so changed that it no longer complies with the provisions of subsection (a); or

(2) in the administration of such plan there is a failure to comply substantially with any such provision, the Commissioner shall withhold further payments under section 7 to the State or withhold further payments for any project designated by the Commissioner as being directly affected by such failure, as the Commissioner may determine to be appropriate under the circumstances, until he is satisfied that there is no longer any such failure to comply, or if compliance is impossible, until the State repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended; except that the foregoing provisions of this subsection shall not apply to payment of any amount already reserved under section 7(a) with respect to any public community college facilities project not directly affected by such failure. After notice as provided in this subsection to any State, the Commissioner may suspend the making of further reservations of funds under section 7(a) for projects in such State pending the making of the findings under this subsection.

PAYMENTS TO STATES

SEC. 7. (a) Upon a certification by a State agency—

(1) listing a public community college facilities project (or projects) approved by it during a fiscal year under a State plan approved under section 6; and

(2) setting forth the estimated cost of each such project, the amount of the Federal share of such cost, and such further description of such project as may be required by the Commissioner in order to carry out the provisions of this act,

the Commissioner shall reserve, subject to the requirements of section 5, an amount equal to such Federal share of such cost out of the State's allotment for such fiscal year. Payment of such amount shall be made by the Commissioner to the State, upon request of the State agency, through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, at such time or times and in such installments (in advance of the incurring of cost or otherwise) as the Commissioner may determine. Such payments shall be used exclusively to meet the cost of construction of the project (or projects) for which such amount has been reserved. The Commissioner shall change any amount so reserved upon request of the State agency and receipt of an amended certification from such agency, but only to the extent such change is not inconsistent with the other provisions of this act.

(b) If any project with respect to which payments have been made under this section is terminated or abandoned or not completed within such reasonable period as may be determined in accordance with the regulations of the Commissioner, the State which certified such project shall be liable to repay to the United States, for deposit in the Treasury of the United States as miscellaneous receipts, the amount of such payments or such lesser amounts as the Commissioner deems reasonable under the circumstances.

FEDERAL ADMINISTRATION

SEC. 8. (a) The Commissioner may delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon.

JUDICIAL REVIEW

SEC. 9. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this Act, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(b) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

LABOR STANDARDS

SEC. 10. (a) The Commissioner shall not reserve any amount for a grant under this Act except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction assisted by such grant will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C.

276a—276a-5), and will receive compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a) of this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) The Commissioner may waive the application of subsection (a) in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction assisted by such grant, voluntarily donate their services for the purpose of lowering the cost of construction.

METHOD OF PAYMENT

SEC. 11. Payments under this Act may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

ADMINISTRATIVE APPROPRIATIONS AUTHORIZED

SEC. 12. There are hereby authorized to be appropriated such sums as may be necessary for the cost of administering the provisions of this Act.

FEDERAL CONTROL NOT AUTHORIZED

SEC. 13. Nothing contained in this Act shall be construed as authorizing a department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirements or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

DEFINITIONS

SEC. 14. As used in this Act—

(1) the term "Commissioner" means the Commissioner of Education, Department of Health, Education, and Welfare.

(2) The term "public community college" means an educational institution, or branch thereof, in a State, which (1) is under public supervision and control, (2) is organized and administered principally to offer educational programs, of not more than two years' duration, beyond the high school level, (3) has as one of its major purposes the provision of a two-year program which is acceptable for full credit toward a bachelor's degree upon the student's transfer to an institution of higher education, and (4) if a branch of an institution offering four or more years of higher education, is located in a community different from that in which its parent institution is located.

(3) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for public community college facilities, erecting, building, acquiring, and expanding public community college facilities, and the inspection and supervision of the construction of such facilities.

(4) The term "public community college facilities" means classrooms and related facilities, initial equipment, machinery, utilities, and land (including interests in land and land improvements) necessary or appropriate for the purposes of a public community college, but shall not include athletic stadiums or structures or facilities intended primarily for the purpose of athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public.

(5) The term "high school graduate" means a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of schoolwork, or for demonstration of equivalent achievement. For the purposes of this Act the number of high school graduates shall be limited to the number who graduated in the most recent school year for which satisfactory data are available from the Department of Health, Education, and Welfare. The interpretation of the definition of "high school graduate" shall fall within the authority of the Commissioner.

(6) The term "national base" means with respect to any fiscal year, an amount equal to three times the quotient of (A) the amount appropriated for such year under the authorization in section 3, divided by (B) the number of high school graduates.

(7) The term "State agency" means the agency designated by a State in its State plan in accordance with section 6(1).

(8) The term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

The analysis presented by Mr. CASE is as follows:

A BRIEF ANALYSIS OF S. 956 BY SENATOR CLIFFORD P. CASE

Section 1: The bill provides a program of financial assistance to the States for the construction of public community colleges.

Section 2: Congress recognizes that the Nation faces a severe shortage of college facilities for the training of qualified young men and women. It also acknowledges the steady growth in need for semiprofessional and technical workers who require more preparation than high school, but less than 4 years of college.

Defines the purpose of the act to assist in (1) supplying the greatly increasing need for college training facilities, and (2) solving the problem of increasing costs for such training, by providing a 5-year emergency program of financial assistance to the States in constructing public community college facilities in such locations as will make such facilities accessible to the homes of as many individuals as may be possible.

Section 3: Authorizes appropriation of $50 million for each of the 5 successive fiscal years beginning on July 1, 1963.

Section 4: Outlines the method for apportionment of funds among the States. Consideration will be given under this formula to the income per person in the State and the number of high school graduates of the respective States.

Section 5: Requires that each State shall add to the Federal allotment an amount equal to the product of the number of high school graduates and the difference between the national base and the Federal allotment to the State for high school graduates of the State.

Section 6: Requires that any participating State submit a plan to the Commissioner of Education, Department of Health, Education, and Welfare, for carrying out the purposes of the act. The Commissioner may not fully disapprove any State plan or modification thereof without first affording the State agency reasonable notice and opportunity for hearing. The Commissioner may withhold payments if he finds the State has not been in compliance with the provisions of this act, after reasonable notice and opportunity for hearing to the State agency.

Section 7: Payments shall be made by the Commissioner of Education to the State through the Department of the Treasury, and subject to the audit of the General Accounting Office.

Section 8: The Commissioner is authorized to delegate to any officer of the Office of Education any of his functions under the act except the making of regulations.

Section 9: If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this act, such State may appeal to the U.S. court of appeals for the circuit in which such State is located. The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part.

Section 10: Labor standards: Applies provisions of Davis-Bacon Act to any construction under this act.

Section 11: Defines method of payment.

Section 12: Authorizes administrative appropriations.

Section 13: Prohibition against Federal control: Nothing contained in this act shall be construed as authorizing a department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirements or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

Section 14: Defines the terms used in the act.

POLITICS, INFLUENCE, AND GOVERNMENT CONTRACTS

Mr. CASE. Mr. President, the President's new budget recommends the expenditure of more than $60 billion for national defense and space activities. This means that more than half of all the Federal Government's expenditures in the coming fiscal year would be earmarked for these two important activities, and indications are that these amounts will tend to increase even further in the next few years.

Some of these expenditures involve individual contracts running into millions and millions, even billions, of dollars. In the 1962 campaign they were the subject of much political attention by various candidates and the President himself. I shall cite several examples.

Government defense contracts are big business. In the past fiscal year, the Defense Department awarded more than $28 billion in contracts. Approximately 35 percent of these were on the basis of competitive bidding.

The remaining 65 percent—almost two-thirds of the total—were made in the category of negotiated contracts. With such huge sums involved and with decisions made in the private way in which negotiated contracts are developed, it is more important than ever that the national interest be the sole criterion in awarding Government contracts; that we get a dollar's worth for each dollar spent. The scale of space and defense commitments calls for unusual measures to safeguard the integrity of the contract award system, to make sure that awards are made on the basis of merit—and that politics, influence, or any other extraneous interest is ruled out.

These contracts are of such substantial amounts, as many Senators well know, that in some cases success or failure in winning a particular contract may well mean making or breaking a particular firm. They have heavy impact on the welfare of hundreds of thousands of people—employees, management, and

stockholders. They affect vitally the interest of entire communities and, indeed, the interests of many States, including my own.

The Defense Department's official policy is plain:

> Our first and paramount objective is to acquire weapons and materiel which fully meet our qualitative, quantitative and delivery requirements—at the lowest overall cost. To this end we must stress full and free competition, with equal opportunity to all interested qualified suppliers, and we must continuously seek to minimize sole-source procurements for end items, major subsystems, spare parts and supplies. Whenever our specifications are sufficiently precise, we must obtain competition through formal advertised bidding procedures as required by law.

The Defense Department policy is eminently clear. Anything less than this is contrary to the national interest and is obviously unfair to the honest bidders who put their faith in their own ability and efficiency, in the confidence that the decision will be made only on the merits, without any interference or string pulling through political channels.

But recent actions and statements in high official circles—indeed, in the highest—raise doubts as to whether what actually goes on conforms with official policy.

A major project in the scientific world is the so-called Mohole project, to drill a hole in the bottom of the sea, as a part of a great geological project, being undertaken by the National Science Foundation, to pierce the earth's crust and sample its hot interior. This has been termed "man's greatest geological project," and the 5-year contract is estimated to cost $43,600,000. Brown & Root, Inc., of Houston, Tex., was awarded this plum, despite the fact that one NSF panel rated this firm third best in a field of three, and another NSF panel rated four firms as better qualified.

Initial progress reports on this project indicate an eventual cost of $70 to $85 million—almost double the original estimate—and that the contractors are behind schedule.

A similar topside reversal of evaluation panels is apparently involved in a major Defense Department aircraft contract award, part of which is to be performed in Fort Worth, Tex. The Senate Permanent Investigations Subcommittee began hearings on the award this week.

The final decision in either or both these cases may have been completely sound. But under present limited disclosure practices, it is impossible for the public to judge.

A full disclosure of all relevant facts would benefit everybody. An informed public opinion would exert irresistible weight in support of decisions which are soundly based, and against those which are not. It would reduce to a minimum improper pressures on Government officials. It would restore public confidence in the integrity of Government.

I have been deeply concerned by statements during the 1962 political campaign, as well as recurring press reports, which tend to confirm this feeling that politics, influence, and other extraneous considerations are involved in the selection of contractors. Unfortunately, the President himself, in several statements he made in the heat of last fall's campaign, has done nothing to dispel this concern.

Appearing in West Virginia, the President, in urging the reelection of a Congressman, said that four times as much defense money was being spent in West Virginia as in 1960. In a subsequent speech in Pennsylvania, in behalf of a candidate for Governor, the President said:

> In fact, military prime-contract awards to Pennsylvania for fiscal year 1962 were nearly 50 percent higher than they were in 1960—and this is the kind of progress and collaboration which Dick Dilworth (nominee for Governor of Pennsylvania) can continue as Governor.

The next day, again the President said:

> Working with Governor Lawrence since 1960, we have increased by 50 percent the number of prime defense contracts that come to Pennsylvania—job retraining, cleaning our rivers, area redevelopment, increasing our food supplies for those on relief—all these measures which can be brought about with a progressive, Democratic Governor. So I am hopeful that you are going to elect in this State Dick Dilworth.

These statements were made in the heat of a campaign; but such statements by candidates and party leaders have lowered the standard for campaigning to the point that from Massachusetts, on the Atlantic, to Washington, on the Pacific, the cry, "I can do more," has been made respectable.

What specifically can we do to provide better protection for the integrity of our contracting system? I propose legislation to carry out a three-point program based on my experience on the Armed Services, Space, and Appropriations Committees.

First. Require that a record be maintained, open to public inspection, of all ex parte communications, whether written or oral, in regard to a defense or space contract by anyone, including Members of Congress or the executive branch, other than the bidder.

Second. Require full, complete, and prompt public disclosure of the basis on which a negotiated contract award is made, except for information classified for security provisions, or where forbidden by existing law.

Third. Establish a special joint House-Senate committee authorized to review defense and space contract awards, with primary attention to negotiated contracts. This watchdog committee would consist of a Democrat and a Republican appointed from each of the following committees: the Senate and the House Armed Services Committees, the Senate and the House Appropriations Committees, the Senate and the House Government Operations Committees, and the Senate and the House Space Committees.

This joint committee would have its own continuing staff, as well as assistance from the General Accounting Office. I would suggest that the chairman of the committee be a Republican, during a Democratic administration, and a Democrat, during a Republican administration.

Timely disclosure is important for several reasons. From the point of view of the Government, if there has been an error or favoritism in an award, it can be corrected before funds are committed or before work for which the Government is obligated to pay has been started. From the point of view of both the Government and the contractors who lost out, review after the point of no return, as it were, has been reached may be helpful for the future, but does nothing to right the immediate wrong. In short, disclosure at the time when the selection is made makes it possible to do something about it, if the facts so warrant.

On the matter of full disclosure, some progress has been made. As a result of my discussions with the Defense Department, the Department has amended its regulations on armed services procurement so as to provide that the contracting officer shall give written notice to the unsuccessful offerers, relaying such information as the number of prospective competitors solicited, the number of proposals received, the items, quantities, and unit prices of each award, and, in general terms, the reason why the offerer's proposal was not accepted. This moves in the direction I have urged, but it still does not include the key information necessary in order to permit the public to evaluate the decisionmaking process in the selection of the successful contractor. The complete and prompt disclosure which I have urged would let the public know who had a hand in the contract award and what cards he played in that hand.

One immediate benefit, I am confident, would be that Members of Congress and the executive branch would be in a better position to resist pressures from contractors who seek political help in obtaining contract awards. Their argument that they need this help because a competitor is receiving the same sort of under-the-table assistance from his Government friends is difficult, if not impossible, to answer in the present situation. The knowledge that any outside intercession would become publicly known would serve as a warning, and, I believe, would be the strongest possible deterrent to those who would seek improper intervention.

I recognize that some of these proposals sound revolutionary, even utopian, and depart from customary procedures; but the size of our Federal budget—now approaching a hundred billion dollars a year—makes unusual steps necessary. Doubt and suspicion have no place in Government contracts, and this applies most emphatically to our defense program. Full disclosure and active surveillance are the best safeguards against them.

The only consideration in selecting a contract recipient should be what makes sense for the program itself. If improper interference with the contracting system adds even $1 to the cost of our expensive space and defense programs, it

is waste; and we may be sure that if it adds a dollar, it will probably add a great deal more than that in the lifetime of a negotiated contract. This is everybody's problem.

The public business, particularly that involving billions and billions of dollars, for a virtual handful of firms, should be transacted in the open. There is no room for back-door approaches or hidden influences in the selection of contract awards. Morally bad in any situation, it is intolerable when it affects our vital interest. The people do not want political spoils—Democratic or Republican—diminishing our national security.

Mr. President, I now introduce, for appropriate reference, two bills which embody the proposals I have described. I ask unanimous consent that the text of both bills be printed at this point in the RECORD; and I also request that the bills be held at the desk for 5 days, for additional sponsors. I also ask unanimous consent to have printed in the RECORD, following the text of the bills, an article on this subject which was published in the Chicago Daily News.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills and article will be printed in the RECORD, and the bills will lie on the desk, as requested by the Senator from New Jersey.

The bills, introduced by Mr. CASE, were received, read twice by their titles, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 960. A bill to establish the Joint Committee on Defense and Space Contracts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense and Space Contract Review Act".

ESTABLISHMENT OF THE JOINT COMMITTEE ON DEFENSE AND SPACE CONTRACTS

SEC. 2. (a) There is hereby established a Joint Committee on Defense and Space Contracts (hereinafter referred to as the "Joint Committee") which shall be composed of eight Members of the Senate and eight Members of the House of Representatives, selected as follows:

(1) Two members of the Joint Committee shall be members of the Committee on Aeronautical and Space Sciences of the Senate, and two members of the Joint Committee shall be members of the Committee on Science and Astronautics of the House of Representatives;

(2) Two members of the Joint Committee shall be members of the Committee on Appropriations of the Senate, and two members of the Joint Committee shall be members of the Committee on Appropriations of the House of Representatives;

(3) Two members of the Joint Committee shall be members of the Committee on Armed Services of the Senate, and two members of the Joint Committee shall be members of the Committee on Armed Services of the House of Representatives; and

(4) Two members of the Joint Committee shall be members of the Committee on Government Operations of the Senate, and two members of the Joint Committee shall be members of the Committee on Government Operations of the House of Representatives.

(b) Members of the Joint Committee selected from each such standing committee of the Senate or the House of Representatives shall be designated by the chairman of that standing committee and shall include one member thereof who is a member of the majority party of the House of the Congress of which he is a Member, and one member of such standing committee who is a member of the minority party of the House of the Congress of which he is a Member.

(c) The Joint Committee shall select a Chairman and a Vice Chairman from among its members at the beginning of each Congress. The Vice Chairman shall act in place of the Chairman in the absence of the Chairman. The Chairmanship shall alternate between the Senate and the House of Representatives with each Congress. The Chairman shall be chosen by the Members from the House which is entitled to the Chairmanship, and the Vice Chairman shall be chosen from the House other than that of the Chairman by the Members from that House. No member of the Joint Committee may serve as Chairman if he is a member of the political party of which the President of the United States is a member. No member of the Joint Committee may serve as Vice Chairman if he is a member of the political party of which the Chairman is a member.

(d) Vacancies in the membership of the Joint Committee shall not affect the authority of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner in which original appointments thereto are made.

INVESTIGATIVE DUTIES

SEC. 3. (a) It shall be the duty of the Joint Committee to conduct a continuing study and investigation of all major contracts entered into for the procurement of property or services by the Department of Defense (including the military departments thereof and the armed forces administered thereby), the Department of the Treasury or the Coast Guard for or on behalf of the Coast Guard, and the National Aeronautics and Space Administration. Particular attention shall be given to such contracts entered into by negotiation. Such study and investigation shall be conducted for the purpose of ascertaining as to each such contract—

(1) the facts and circumstances leading to the formation of that contract;

(2) the basis upon which award of that contract was made; and

(3) the considerations which were determinative in the selection of the contractor to whom that contract was awarded.

(b) On or before January 31 of each year, the Joint Committee shall transmit to the Senate and to the House of Representatives a report which shall—

(1) state the results of its studies and investigations during the preceding calendar year;

(2) describe fully the facts and circumstances of any such contract award which the Joint Committee considers to have been made contrary or without due regard to the interest of the Government in procuring property and services of maximum utility upon the most advantageous terms available; and

(3) include such recommendations for legislative or other measures which the Joint Committee may deem necessary or advisable to improve in the public interest practices and procedures of departments, agencies, and armed forces of the Government in the procurement of property and services.

(c) Each department, agency, and armed force referred to in subsection (a) shall—

(1) keep the Joint Committee fully and currently informed as to the policies, practices, and procedures of that department, agency, or armed force with respect to the procurement of property and services; and

(2) furnish to the Joint Committee any information requested by the Chairman thereof as to such policies, practices, and procedures, or with respect to action taken by that department, agency, or armed force relative to the formation of any major contract or proposed major contract.

(d) As used in this section, the term "major contract" means any contract under which the United States, or one or more of the departments, agencies, or armed forces thereof, may be obligated to expend or pay $500,000 or more.

LEGISLATIVE DUTIES

SEC. 4. (a) All bills, resolutions, and other measures in the Senate or the House of Representatives relating primarily to the procurement of property or services by any of the departments, agencies, or armed forces referred to in section 3(a) of this Act shall be referred to the Joint Committee.

(b) The members of the Joint Committee who are Members of the Senate shall from time to time report to the Senate, and the members of the Joint Committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the Joint Committee or otherwise within the jurisdiction of the Joint Committee.

POWERS

SEC. 5. (a) In carrying out its duties under this Act, the Joint Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings or investigations, to sit and act within or outside the United States at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and make such expenditures as it deems advisable. The Joint Committee may make such rules respecting its organization and procedures as it deems necessary. Except as otherwise specifically provided by this Act, no measure or recommendation shall be reported from the Joint Committee unless a majority of the committee assent.

(b) Subpenas may be issued over the signature of the Chairman of the Joint Committee or by any member designated by him or by the Joint Committee, and may be served by such person or persons as may be designated by such Chairman or member. The Chairman of the Joint Committee or any member thereof may administer oaths to witnesses.

STAFF AND ASSISTANCE

SEC. 6. (a) The Joint Committee may appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable.

(b) The Joint Committee is authorized to utilize the services, information, facilities, and personnel of the General Accounting Office and of any department, agency, or armed force of the United States, on a reimbursable basis or otherwise, with the consent of the head of such office, department, agency, or armed force. With the consent of any standing, select, or special committee of either House of the Congress, or any subcommittee thereof, the Joint Committee may utilize the facilities and the services of the staff of such committee or subcommittee whenever the Chairman of the Joint Committee determines that such action is necessary and appropriate.

EXPENSES

SEC. 7. (a) The expenses of the Joint Committee shall be paid from the contingent fund of the Senate from funds appropriated for the Joint Committee, upon vouchers approved by the chairman. The cost of stenographic service to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the Senate. The cost of stenographic service to report executive hearings shall be fixed at an equitable rate by the Joint Committee.

(b) Members of the Joint Committee, and its employees and consultants, while traveling on official business for the Joint Committee within or outside the United States, may receive either the per diem allowance authorized to be paid to Members of the Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher.

CLASSIFIED INFORMATION

SEC. 8. (a) The Joint Committee may classify information originating within the committee, in accordance with standards used generally by the executive branch of the Government for classifying defense information.

(b) Upon request made by the Chairman of the Joint Committee, the eligibility of any employee or consultant of the Joint Committee for access to defense information shall be determined in the same manner in which such determination is made with respect to employees within the executive branch of the Government. Any employee or consultant of the Joint Committee who has been so determined to be eligible to have access to defense information of any classification shall be entitled to have access to such information of that classification to the extent required for the performance of his duly assigned duties as an employee or consultant of the Joint Committee as certified by the Chairman of the Joint Committee.

RECORDS

SEC. 9. (a) The Joint Committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded.

(b) All committee records, data, charts, and files shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or such other places as the Joint Committee may direct under such security safeguards as the Joint Committee shall determine to be required in the interest of the national defense and security.

S. 961. A bill to require public disclosure of certain information concerning the award of contracts entered into by the Armed Forces and by the National Aeronautics and Space Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 137 of title 10, United States Code (relating to procurement generally), is amended by adding at the end thereof the following new section:

"§ 2315. Public disclosure of certain contract information

"(a) There shall be established—

"(1) within the Department of Defense a contract information file in which there shall be deposited forthwith each contract communication received by that Department, any military department thereof, or any armed force administered thereby with regard to each proposed major contract of any such department or armed force;

"(2) within the Department of the Treasury a contract information file in which there shall be deposited forthwith each contract communication received by that Department or by the Coast Guard with regard to each proposed major contract of the Coast Guard when it is not operating as a service in the Navy; and

"(3) within the National Aeronautics and Space Administration a contract information file in which there shall be deposited forthwith each contract communication received by that agency with regard to each proposed major contract of that agency.

"(b) Whenever any major contract is awarded by or on behalf of a department or agency named in subsection (a) or any armed force administered thereby, there shall be forthwith prepared and deposited in the contract information file of that department or agency a contract information memorandum which shall contain a full, complete, and accurate statement of (1) the facts and circumstances leading to the formation of that contract, (2) the basis upon which award of that contract was made, and (3) the considerations which were determinative in the selection of the contractor to whom that contract was awarded.

"(c) All communications and memorandums deposited in the contract information file of any such department or agency shall be available for public inspection within such department or agency during all regular business hours, and shall be arranged, classified and indexed in such manner as to facilitate rapid inspection of all communications and memorandums which relate to each proposed contract or contract. All communications and memorandums deposited in the file shall be retained therein for not less than three years. The head of the department or agency concerned may excise from any contract communication or contract information memorandum to be placed in the contract information file of that department or agency any portion of the contents of that communication or memorandum if he determines that publication thereof would result in the public disclosure of (1) information theretofore duly classified for reasons of national security as information which may not be publicly disclosed, or (2) information the public disclosure of which is specifically forbidden by any Act of the Congress. Authority to excise any portion of any such communication or memorandum may not be delegated by the head of any department or agency to any other individual. The head of the department or agency concerned shall promulgate appropriate regulations to carry into effect the requirements of this section. All regulations promulgated under this section shall be published in the Federal Register.

"(d) In this section the term—

"(1) 'Contract communication', with respect to any proposed major contract, means the original copy of any written communication, and a written memorandum which identifies by name and official or business affiliation the maker and contains a full, complete, and accurate statement of the substance and purport of any oral communication, received by the department or agency concerned, or by any officer or employee thereof, relating in any way to any proposed major contract award, except that such term does not include any communication receive from a potential contractor under that proposed contract or from a contractor representative of any such potential contractor.

"(2) 'Major contract' means any purchase of property or services and any contract or agreement for the procurement of property or services which may result in the expenditure or payment of $500,000 or more by one or more of the departments, agencies, and armed forces referred to in subsection (a).

"(3) 'Proposed major contract' means any proposed or contemplated purchase, contract, or agreement, and any commitment or declaration of intention, which, if entered into or carried into effect, would result in the formation of a major contract.

"(4) 'Potential contractor', with respect to any proposed major contract, means any individual, and any corporation, partnership, or other business entity, who has submitted or who has been invited by advertisement or otherwise to submit to the department, agency, or armed force concerned a bid for that proposed major contract, or who has entered into any discussion with the department, agency, or armed force concerned in contemplation of entering into that proposed major contract by negotiation.

"(5) 'Contractor representative', with respect to any proposed major contract, means any officer or partner of any corporation, partnership, or other business entity which is a potential contractor under that proposed major contract, and any individual who is a regularly employed sales or technical representative of any potential contractor under that proposed major contract. Such term does not include (A) any officer, employee, or agent of the United States or any department, agency, or armed force thereof, (B) any Member of or Delegate to the Congress, or (C) any individual who is an officer or employee of the Congress or any agency within the legislative branch of the Government, either House of the Congress, any committee of the Congress or either House thereof, any subcommittee of any such committee, or any Member of or Delegate to the Congress."

(b) The sectional analysis of chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"2315. Public disclosure of certain contract information."

SEC. 2. (a) Chapter 93 of title 18, United States Code (relating to public officers and employees), is amended by adding at the end thereof the following new section:

"§ 1916. Default of obligation to disclose contract information

"Whoever, being an officer, employee or person acting for or on behalf of the United States or any department or agency thereof who has any obligation under section 2315 of title 10, United States Code, or any regulation duly promulgated thereunder, to file, record, prepare, preserve, transmit, maintain, or grant access to any contract communication or contract information memorandum or to cause any such communication or memorandum to be filed, recorded, prepared, preserved, transmitted, maintained, or made available for public inspection, by any act or omission fails to fulfill that obligation with intent to prevent, evade, delay, or obstruct the prompt public disclosure of (1) the identity or affiliation of the maker of any such contract communication or full, complete, and accurate information concerning the contents, substance, or purport of that communication or any part thereof, or (2) full, complete, and accurate information concerning any fact, circumstance, or consideration required by subsection (b) of section 2315 of title 10 of the United States Code to be stated in any contract information memorandum, shall be fined not more than $5,000 or imprisoned not more than two years, or both."

(b) The sectional analysis of chapter 93 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1916. Default of obligation to disclose contract information."

SEC. 3. The amendments made by this Act shall take effect on the first day of the fourth month beginning after the date of enactment of this Act.

The article presented by Mr. CASE is as follows:

[From the Chicago Daily News, Nov. 17, 1961]

DEFENSE PRESSURE A ONE-WAY ROAD—NOBODY LEADS FIGHT TO REDUCE SPENDING

(By James McCartney)

WASHINGTON.—Political pressures on the defense program flow in a relentless tide—one way.

There, in a nutshell, lies the problem.

Congressmen and Senators seek defense contracts and installations for their districts or States, striving to keep employment high.

Defense contractors, understandably, seek all of the defense business they can engender and get.

The Army, Navy, and Air Force seek, in great sincerity, larger military budgets, better weapons systems.

Frequently these three great forces, with immense resources to influence spending policies as well as public opinion, operate in concert.

But * * *.

There is no lobby for lower defense spending—no lobby actively seeking to hold the $50-billion-a-year defense machine in check.

Former President Eisenhower described the problem as saying that pressures for defense spending—from each of the three primary sources—were "all in one direction."

Deputy Defense Secretary Roswell L. Gilpatric, who is fully aware of the dangers, agrees.

"In effect," says Gilpatric, "the burden of containing the pressures rests on the civilian Secretaries of the Defense Department and on the President."

But few applaud if their answer to a spending request is "No."

The stakes in this game are high.

Mr. Eisenhower warned that "unwarranted influence" by the "military-industrial complex" could "endanger our liberties or democratic processes."

"The potential for the disastrous rise of misplaced power exists and will persist," he said.

Gilpatric says this was the most significant message Mr. Eisenhower ever delivered to the American people, and wonders only why he waited until 3 days before he left office to deliver it.

"It's a very great risk," Gilpatric adds. "But I think our system is capable of dealing with it."

Gilpatric, a former Wall Street lawyer with a Phi Beta Kappa key from Yale, believes that only a strong executive in the White House, backed by an informed public opinion that understands the nature of the pressures, can adequately do battle.

He also believes that the pressures are inevitable in a democracy in which defense industries operate in the private sector.

But he does not believe that the pressures are sinister—although he can recall exceptions—and he does not believe that they have gotten out of control.

"Pressures on the other side—opposing spending—are more generalized," he says.

"They come from the President, the budget people, the Treasury Department and sometimes, generally, from the business and financial community."

"But," he adds, "this never translates into much support."

"The question," says Gilpatric, "is whether the counterbalancing forces, particularly the civilian Secretaries of the Defense Department, are strong enough."

"It all depends on the quality of the people."

Have we had strong enough men—do we have them now?

It is difficult to answer with certainty.

Today's civilian leaders have loosened up the defense purse strings to the extent of $6 billion this year to strengthen the Armed Forces generally and to prepare for the Berlin crisis.

But they are finding that even this sum has not satisfied many military leaders.

The three military services have reportedly requested an additional $11 billion in defense spending in next year's budget.

This would mean a defense budget of upward of $60 billion—which Gilpatric says "is out of the question." President Kennedy has said, however, that he will ask for at least some additional defense funds next year.

Stories of political influence in the Defense Department are a dime a dozen in Washington.

All a reporter has to do is talk with almost any contractor who has lost out on a contract—and there are usually several losers for every winner. Proving their charges—usually passed out on a confidential, not for attribution basis—is something else.

There are documented cases where contracts have changed hands after political pressure was exerted—but none in which the Defense Department will admit that pressure was the reason for the switch.

A midlevel official at the Pentagon says: "Political and economic pressures play at least some role in the awarding of almost every major contract. We don't live in a vacuum."

Members of a Senate-House subcommittee on defense procurement, headed by Senator PAUL DOUGLAS, Democrat, of Illinois, believe that the doors to the Pentagon are wide open to pressure because 60 percent of all defense contracts are awarded without competition.

Says Ray Ward, a procurement expert on the subcommittee's staff, "When a contract is negotiated, without competition, no one on the outside can tell what factors may have influenced the contract award."

To this Senator DOUGLAS adds, "the negotiated contract opens the door to all kinds of political abuses, to pressures from contractors, from local communities, from the military services, as well as to parochial pressures placed on Members of Congress from communities."

Defense Department officials insist, however, that there are so many checks and balances in the contract awarding system that the exercise of "influence" is nearly impossible.

Perhaps the most agonizing aspect of the entire struggle between opposing forces is that no one can be sure—least of all a civilian outsider—precisely what is necessary to guarantee national survival.

No one quarrels with need for a strong defense program in a world in which the Nation's survival is threatened.

But some want to spend more. Others believe we have already gone too far in building an economy which depends so strongly on military expenditures.

The simple and yet incredibly complex equation—how much defense equals adequate protection—is under constant review by the administration.

On a recent CBS–TV program, Mr. Eisenhower summed up his feelings about overall problems posed by the existence of the military-industrial complex.

He mentioned each of the principal kinds of pressure—those from manufacturers, the military and from Congress.

"Now this brings together," he said, " a tremendous economic unit producing for one thing * * *

"The thing we must do," he said, "is to use our commonsense * * * not to give way to these pressures * * * except as we need to.

"I'm not saying there is anything venal here. I'm just saying it's a natural influence that is created by this enormous munitions industry and by all of the people that are pushing in that direction.

"And this means that it takes strong men to stand against it if it goes too far."

Mr. CASE. 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.

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

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

PRESIDENT'S TAX PROPOSAL

Mrs. NEUBERGER. Mr. President, the Senator from Illinois [Mr. DOUGLAS], our distinguished colleague and nationally known economist, has written a debate in support of the President's tax proposal.

The portion of the debate which appeared in the Washington Post on February 24 is the most succinct argument for the layman that I have read. I especially appreciate its ability to cut through the involved presentations that I have read and studied in other publications.

For instance, the Senator from Illinois [Mr. DOUGLAS] writes:

To put it simply, tax cuts would increase monetary purchasing power which in turn would put idle men to work on idle machines producing goods which would otherwise not be produced.

I agree with the Senator that the tax reforms are as important as the tax cuts, although, as a true political realist, the Senator from Illinois realizes that the compound package may not be palatable to the Senate and so he suggests an alternate proposal if, as he says, "the reforms are junked."

A table which illustrates the multiplier effect was a part of the original article but was deleted from the Post article probably for space purposes.

I ask unanimous consent that the article and table be printed following my remarks.

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

Congress and the public should support President Kennedy's proposals for tax cuts and tax revisions because they would stimulate the economy and make our tax system more equitable.

At the present time 5.8 percent of the labor force is fully unemployed. Unemployment has exceeded 5 percent in every month except one since 1957. It has averaged almost 6 percent for the past 5 years. When the full-time unemployment effect of those who work only part-time is taken into account, unemployment is now at least 7 percent.

This is an intolerable situation.

In addition, our idle industrial resources amount to about 17 percent of capacity. Our sluggish rate of economic growth is considerably below our potential.

Furthermore, in periods of recovery or economic upswing, the present tax system tends to take a larger and larger share of the marginal increase in our economic growth. The tax structure prevents us from reaching full employment or the full use of our human and productive resources.

Therefore, the time to act has come.

MULTIPLIER EFFECT

To put the problem in economic terms, there is not enough purchasing power in the economy to buy the goods and services which our labor force and industry can produce at the prices charged.

There are at least two general ways to attack this problem. One of them, and perhaps the preferable one, is to reduce the prices charged to the level of monetary purchasing power. This could be done by an all-out attack on monopoly, semimonopoly, and administered prices, and the structural defects that prevent competition.

The second way to attack the problem is to increase the monetary purchasing power in the economy to the level of the prices that are charged. This is what a tax cut would do.

To put it simply, tax cuts would increase monetary purchasing power which in turn would put idle men to work on idle machines producing goods which would otherwise not be produced.

But the amount of purchasing power released would not merely be the size of the tax cut. It would be, in fact, from three to four times more than the tax cut. This effect can be called the "multiplier effect" which is the shorthand term for describing the increases in both consumption and investment arising from a tax cut to individuals.

The best estimates presented to the Joint Economic Committee are that an $8 billion personal tax cut would increase the gross national product by from $24 to $32 billion more than it would otherwise be.

In turn, the additional funds generated in the economy would themselves be taxed—at the new lower levels—and ultimately about one-fifth of the total increase in the gross national product would be returned to the Treasury.

Thus, an $8 billion tax cut with a multiplier of three to four times would increase the gross national product by $24 to $32 billion. Taxes at 20 percent would bring in added revenues of from $4.8 to $6.4 billion. The net cost of an $8 billion cut would be only from $1.6 to $3.2 billion.

An increase of these magnitudes in the gross national product would produce about 2 million new jobs.

The importance of the "multiplier" effect cannot be exaggerated and is the key to understanding how a tax cut would stimulate the economy.

CUTS NOT INFLATIONARY

All kinds of objections are raised against a tax cut. Here I will answer only the more general ones.

It is charged that tax cuts would be inflationary. With almost 6 percent full-time unemployment and 17 percent of our industrial capacity idle, such a charge is nonsense. At full employment, pumping monetary purchasing power into the economy would merely bid up prices. But at a time of excessive plant capacity and unemployment, added monetary purchasing power can put idle men to work on idle machines without appreciable price rise.

It is argued that we should not cut taxes until the cut is matched by a reduction in expenditures. Frankly, this policy would bring disaster. There are places where the budget can and should be cut. Because of the power of special-interest groups, it will not be cut where it probably should be cut.

But if we were to try to balance the budget by cutting essential functions by $10 to $12 billion, this would have a reverse multiplier effect. The gross national product would be reduced by from $30 to $40 billion. But this expenditure cut would not bring a balanced budget. The deficit would increase by from $6 to $8 billion just from the drop in personal and corporate incomes which would be caused by the initial $10 billion cut in expenditures.

Under the depressed conditions that would be created, Budget Director Kermit Gordon estimated that it would take a cut of about $20 billion in Federal expenditures to bring a balanced budget next year. I agree with the general magnitude of his estimates. Such a cut would bring with it an intolerable rate of unemployment and depression conditions. It would be self-defeating and would bring chaos and catastrophe in its wake.

The tax reforms in the President's program are as important as the tax cuts, both to stimulate the economy and for equity reasons.

If the reforms are junked, I would favor the substitution of a program to increase the personal exemptions from say $600 to $800, or to cut taxes on the first $1,000 and $2,000 of income to a much greater degree than the President's program would do.

Otherwise, the proposed rate cuts, without the revisions, would lack both equity and adequate economic stimulus.

TABLE I.—*Net cost of $8,000,000,000 tax cut with multiplier effect of 3 to 4 times*

[Dollars in billions]

Tax cut	Multiplier	Increase in GNP	Average tax rate	New taxes collected (4×3)	Net cost (1—5)
(1)	(2)	(3)	(4)	(5)	(6)
			Percent		
$8	3	$24	20	$4.8	$3.2
$8	4	32	20	6.4	1.6

THE AL SARENA STEAL—AFTER 8 YEARS

Mrs. NEUBERGER. Mr. President, as we meet here today, the Senate Committee on Interior and Insular Affairs is hearing testimony on very important proposed legislation which would affect the present and future generations of our country. It has to do with conservation of some of our remaining wilderness. One of the main threats to the preservation of beautiful areas in many parts of the United States is a result of a flaw in our mining laws which allows mining in wilderness areas. I am reminded of a situation in my State which has not been corrected, even though attention was first called to it during the senatorial campaign in 1954, of my late husband. I call it the Al Sarena steal. I should like to report to the Senate on that question after 8 years of watching developments in that area.

On February 15, 1954, the then Secretary of the Interior granted patents to 475 acres of the Rogue River National Forest to Al Sarena Mines, Inc.

A joint hearing was held by the House Government Operations Committee and the Senate Interior and Insular Affairs Committee and, thereafter, they issued a report.

In these 8 long years, certainly there has been ample opportunity for those who obtained patent to proceed to mine. They got a free, clear, unencumbered title to the entire 475 acres they sought.

Not once since 1954 has there been the slightest evidence of mining claim development or mining activity. Not one cupful of ore has been processed.

Nor can it be still argued that the so-called miners lacked an opportunity or the financial resources to proceed to mine.

During the last 8 years over 6½ million board feet of timber, with a value in excess of $100,000, have been mined in the form of "green gold." Under our tax laws, the so-called miners could get a capital gains tax treatment on their timber. If they are in the lower tax bracket of 20 percent this means but a 10-percent tax and in no event a tax of more than 25 percent.

Since the claim cost them only $2,375—or $5 per acre—the profit opportunity is quite clear.

Without a patent the Al Sarena group could have gone on to explore, develop—yes, and even mine—their claims. But without a patent they could not reap the value from the timber.

The minority reports at the time made the point that—

> If the claimants' objectives were to secure timber, they could have purchased 20 to 25 times as much timber for the money that was merely invested in the claims and in the pilot mill.
>
> The charge that the claims were filed originally as a subterfuge for securing timber is not supported by any evidence and, in fact, is insupportable.

Mr. President, history has its own way of leading the truth out into the light.

Al Sarena could not be defended in 1954. It cannot be defended today. Al Sarena stands etched for all time as a monumental fraud perpetrated on the people of the United States by inept people in positions of public trust—people unwilling to see the facts as they stood and blind as to their duty to the public interest.

MANAGED NEWS

Mr. DOUGLAS. Mr. President, we hear a great deal of talk about managed news. As a Democrat and as a supporter of President Kennedy's program, it is not unfair to say that any charges of excesses or mistakes made by the administration are equally matched by the editorial comments of the overwhelmingly Republican press of the country.

Yesterday I was asked to answer a series of questions by the magazine U.S. News & World Report. On the whole I think that is a good magazine and any remarks I wish to make now should not be taken as a general criticism of it.

However, the questions I was asked to answer must either have been drafted by someone in a partisan moment or by the Republican National Committee.

In fact, they are not unlike the congressional polls we see from time to time where a Republican Congressman asks a loaded question such as, "Would you be in favor of cutting $5 billion of waste from the President's budget" and where he reports replies in the order of 99 percent "yes" and 1 percent "undecided."

In order that my Democratic colleagues may be forewarned, I want to put the proposed questions from the U.S. News & World Report in the RECORD. There is no reason for me to comment further on them for even a cursory or hasty reading will show, I think, that they are really loaded questions.

Mr. President, I ask unanimous consent that the questions which I was asked to answer and which I refused to answer be printed in the RECORD.

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

1. Why is President Kennedy, as a Democrat, able to exert so little influence over a House and Senate that have majorities heavily Democratic?
2. White House messages and ideas go to Congress and seem to disappear. As far as anyone can see they generate no response out in the country. Why?
3. Has the President failed to get into tune with the mood of the country?
4. Is there a feeling that the President's plans do not command wide support among the voters?
5. Is there distrust of the White House advisers who generate ideas and write messages?
6. Has the President, himself, lacked some element of leadership—an ability to create confidence and attract loyalty?
7. Or: Are many Members of Congress simply wary about the political future and willing to trust their own political judgment more than that of the President?

WERE DUNES JOBS FIGURES PADDED?

Mr. DOUGLAS. Mr. President, the irreplaceable Indiana Dunes may be destroyed by a proposed Burns Ditch Harbor and a Bethlehem Steel plant if certain interests have their way. The principal justification advanced by those who would destroy one of the Midwest's finest gifts of nature is the claim that 60,000 to 100,000 new jobs would be created.

An extraordinary letter bearing directly on these claims from the Bethlehem Steel Co., to Governor Welsh has been obtained by Chicago's American and was discussed in an article which appeared in that paper on February 26. I have now obtained a copy of this letter. It is remarkable in showing that the claims which were made of the alleged new jobs which would be created were simply not founded on fact.

This American article in part points out that the letter specifically states that—

First, 200 to 250 supervisory employees will be moved to the Indiana plant from Bethlehem plants outside Indiana; second, by 1965 there would be employed a maximum of only 2,100 to 2,300 employees; not 10,000 or 20,000 as sometimes claimed; third, if—and there is absolutely no commitment on this—a basic steel mill is ever put in, there will be employed only a maximum total of 8,000 to 10,000 employees; and fourth, Bethlehem will make no commitment on when or whether it actually will put in an integrated steel mill.

The figures given for maximum production employment in the indefinite future of only 8,000 to 10,000 workers, some of which will be imported, contrast markedly with the claims being made that 100,000 jobs will result from the destruction of the Indiana dunes. It takes more than naive optimism to think one production worker will support 10–12 service employees.

This letter also contains unusual and even ominous statements with respect to the question of whether organized labor is to be welcomed at the proposed Bethlehem plant. I will leave to the reader of the American article and the letter any interpretation as to the meaning of Bethlehem's comments on this question, but when it is recalled that some of the chief port promoters are also leaders of right-to-work forces, this letter becomes very significant.

Mr. President, I ask unanimous consent that this letter, dated February 18, 1963, which was apparently released to the press about a week ago, be printed in the body of the RECORD following my remarks along with the article discussing the disclosures made by this letter and their significance which was written by C. Owsley Shepherd and which appeared in Chicago's American on February 26, 1963.

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

BETHLEHEM STEEL CO., INC.,
Bethlehem, Pa., February 18, 1963.

Hon. MATTHEW E. WELSH,
Governor of Indiana,
Indianapolis, Ind.

DEAR GOVERNOR WELSH: From time to time during the past several years we have written to you concerning our plans for the development of our plant site in the industrial district adjacent to the Burns Waterway Public Harbor tract. On December 3, 1962, Bethlehem Steel Co. announced that it had commenced construction of a new steel mill at this location. You have received a description of this project which, in general terms, will consist of three finishing mills to be constructed over a period of 3 years at an estimated cost of $250 million. This new plant of ours has been given the name Burns Harbor Plant.

Our currently authorized program consists of the first three steps of a long range six-step plan for the development of this site. The sixth step will be the construction of facilities which will make the Burns Harbor Plant a fully integrated steel mill. For the sake of clarity we will hereinafter refer to the current project, the first three finishing mills, as the 1962 program.

You have asked a number of specific questions concerning the 1962 program. Many of the answers require estimated figures. We believe the figures contained in several of the following answers to be conservative and as accurate as is practicable at the present time.

(a) The 1962 program will require the employment of building trades employees approximately as follows:

Number of employees:	*Estimated monthly payroll*
Sept. 1, 1963: 400 to 500	$270,000
Sept. 1, 1964: 2,500 to 3,000	1,650,000
Sept. 1, 1965: 400 to 500	270,000

(b) We assume, but do not know, that our contractors will employ union building trades labor.

(c) We assume that our contractors will, to the extent practicable, give preference to local building trades labor.

(d) The first production employees will be employed about October 1, 1964.

(e) The employment figures for production employees will be approximately as follows:

Number of employees:	*Estimated monthly payroll*
Dec. 1, 1964: 600 to 650	$387,500
July 1, 1965: 1,700 to 1,800	1,085,000
Dec. 1, 1965: 2,100 to 2,300	1,364,000

(f) We have no way of knowing whether our production employees wil elect to be represented by a union.

(g) The nature of any labor agreement we may have will have a bearing on whether the local labor supply, where qualified, will be given preference.

(h) We anticipate that some supervisory employees, numbering 200 to 250 for the 1962 program, will be moved to the Burns Harbor plant from other Bethlehem plants located outside the State of Indiana.

(i) It is obvious that we cannot now predict, with any degree of accuracy, when we will reach step VI, which will be the fully integrated steel mill. We hope that steps IV and V, which consist of further refinements of steps I to III and additions to finishing mill capacity, will be completed during the period 1966–72.

(j) When step VI is completed the production force at the Burns Harbor plant should be in the range of 8,000 to 10,000 employees. Our very long-range plan contemplates a Burns Harbor plant with an annual capacity of 10 million tons. It is too early to judge how many employees will be required if and when this ultimate objective is reached.

Although you did not ask for it, I think it would be appropriate here to restate the Bethlehem position with respect to a public harbor at this location. Because the State has worked so long for an adequate public harbor and because the great majority of the citizens of the State want such a harbor, we have supported and will continue to support your efforts to construct the Burns Waterway Public Harbor. It is true, however, that neither our 1962 program nor our long-range plan of development is dependent upon the construction of a public harbor at the Burns Waterway location. If your efforts to construct the public harbor are successful we will contribute toward its cost and make use of its facilities in the manner provided in our July 25, 1962, agreement with the State and the Indiana Port Commission. If a public harbor is not in being or under construction at the time when we will need harbor facilities, we necessarily will have to construct a private harbor by ourselves or in cooperation with other private interests. Within 2 years we will be moving very large quantities of semifinished steel to our Burns Harbor plant from plants in the East. If harbor facilities were available in 1965, a substantial portion of this semifinished tonnage could move into the plant, and a smaller quantity of finished products could move out of the plant, by water transport. We could make good use

of a harbor in 1965 and we must have one when we reach step VI of our development program. We sincerely hope that the State of Indiana can have its public harbor at Burns Waterway, but until such a harbor is assured beyond reasonable doubt we must, in our forward planning, assume that our Burns Harbor plant will be served by a private harbor.

Very truly yours,

B. D. BROEKER,
Secretary.

[From the Chicago American]

STEEL FIRMS GIVE DATA—POLITICIANS PADDED DUNES JOB FIGURES

(By C. Owsley Shepherd)

Bethlehem Steel Co., in a letter to Gov. Matthew E. Welsh, of Indiana, has dispelled any hope that construction of a public harbor at Burns Ditch would create jobs for from 60,000 to 100,000 Hoosiers, Chicago's American has learned.

Secretary B. D. Broeker of the steel firm said that when and "if" a fully integrated mill is built to turn out raw steel and finished products, the production force would range from 8,000 to 10,000 employees.

Such a long-range plan is not even contemplated before 1972, the letter states.

NEARLY 2,300 JOBS BY 1965

Meanwhile, Bethlehem is preparing to construct a steel rolling and finishing mill on its Burns Ditch site which Broeker says would employ from 400 to 500 workers this year; 2,500 to 3,000 next year, and 400 to 500 in 1965.

When the mill is complete, he continues, the number of production employees is expected to reach a peak of 2,100 to 2,300 late in 1965.

Midwest Steel, which would share the benefits of a harbor built at taxpayers' expense, has a finishing mill in operation which engages 1,100 employees. It never has committed itself to build an integrated plant.

These official employment figures are in sharp contrast to the estimates made public by Indiana politicians.

Lt. Gov. Richard O. Ristine has said the port and steel mills would open up 100,000 new jobs, while Governor Welsh has trimmed his prediction to 60,000 positions.

He says he bases this estimate on the steel mills employing 35,000 persons and the U.S. Chamber of Commerce calculation that every 100 new manufacturing jobs produce 65 additional nonmanufacturing openings.

Joseph Germano, director of district 31, United Steelworkers of America, contends news mills at Burns Ditch would create no new jobs, but merely result in the rehiring and relocation of steelworkers forced out of jobs in other northern Indiana plants.

NONUNION FACTOR

Germano says that the steel industry has been operating at only 70 percent of capacity for several years, and that the construction of new plants does not create either more orders or more jobs.

Although Governor Welsh campaigned for office as a friend of organized labor, the Bethlehem letter explores the possibilities of the company's hiring nonunion workers. It says, in part:

"We have no way of knowing whether our production employees will elect to be represented by a union.

"The nature of any labor agreement we may have will have a bearing on whether the local labor supply, where qualified, will be given preference."

IMPORT STEEL AIDS

In addition to this implied threat to import labor is the direct statement that:

"We anticipate that some supervisory employees, numbering 200 to 250 for the 1962 program (this embraces the first 3 years of the overall project), will be moved to the Burns Harbor plant from other Bethlehem plants located outside the State of Indiana."

The steel interests are seeking $25.5 million in Federal funds for dredging and construction of outer breakwaters and $38 million from Indiana State tax money for port facilities. The two companies would put up $4.5 million, and the harbor would be 90 percent or more for their benefit.

The question of Federal participation now is stalled in Washington in the Bureau of the Budget, which is analyzing a favorable recommendation by the Corps of Army Engineers.

SENATE CHANGES PLAN

In an effort to get an immediate start on the harbor, Governor Welsh has proposed doubling the State's 3-cent cigarette tax so that Indiana can go ahead with what was to have been the Federal end of the project.

But in Indianapolis yesterday, the senate passed, 47 to 0, and sent to the House a radically revised plan for financing these preliminary stages.

Instead of the State spending $25.5 million for the outer breakwaters in lieu of Federal aid, private industry would be authorized to advance the funds and operate through the port toll free until their investment is returned with interest.

SENATOR JOHN A. CARROLL'S MAJOR CONTRIBUTIONS TO CIVIL LIBERTIES AS A MEMBER OF THE U.S. SENATE

Mr. DOUGLAS. Mr. President, John A. Carroll of Colorado was one of the finest men who ever served in this body. His record was one of honor and usefulness and was marked by great courage in defense of principles in which he deeply believed.

I ask unanimous consent that a brief monograph entitled "Carroll's Contribution in the Senate in the Field of Civil Liberties," written by Miss Helene C. Monberg, a writer for a number of newspapers in the West, be printed in the body of the CONGRESSIONAL RECORD at this point in my remarks.

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

CARROLL'S MAJOR CONTRIBUTION IN THE SENATE IN THE FIELD OF CIVIL LIBERTIES

WASHINGTON.—Senator John A. Carroll's major legislative accomplishment during his 6 years of service in the Senate was in the field of civil liberties and constitutional rights, according to veteran Capitol Hill observers.

He played a decisive role in the battle in the Senate in 1958 to preserve the independence of the courts.

For 5 years Carroll, a Colorado Democrat and a liberal, served on the Senate Judiciary Committee heavily weighted in favor of southern and midwestern conservatives The Colorado Senator fought a rearguard battle, first in committee, then on the Senate floor, against legislation which, to a civil libertarian such as Carroll, appeared to be an encroachment on an individual's constitutional rights and an assault on the independence of the judiciary by the U.S. Congress.

His most important battles were defensive. He used the procedural rules in the Senate and tactics of delay to stop Senate approval of what he considered to be unwise anticourt legislation. But he also fought in the Senate Judiciary Committee in favor of extension of civil rights to all Americans, particularly the right of Negroes to register and vote in the South.

Carroll's major legacy in the field of constitutional rights and separation of the powers of government came in 1958. During that year he was instrumental in stopping several bills whose purpose was to curb the powers of the U.S. Supreme Court and to nullify several of its unpopular decisions.

COURT UNDER ATTACK

As Walter F. Murphy, a political science professor at Princeton University, points out in his book, "Congress and the Court," published in 1962, the U.S. Supreme Court has been under attack intermittently throughout American history after it has rendered decisions unpopular with either liberals or conservatives. The present decade has been an era of attack on the High Court because a number of its recent decisions have displeased conservatives, particularly the southerners.

After Earl Warren, of California, became Chief Justice of the U.S. Supreme Court in 1953, the Court began to hand down a series of decisions which had the most profound effect on particularly sensitive areas of American society. Most of these decisions were rendered by the Court in the years 1954–57. The first was the unanimous decision written by Warren and announced on May 17, 1954, ruling racial segregation unconstitutional in the public school systems in 21 States and the District of Columbia which operated segregated schools. The Court thus outlawed the separate but equal doctrine that it had enunciated in 1896. During the period 1954–57 the Court handed down important decisions in such vital areas as race relations, loyalty security programs, conduct of congressional investigations, admission to the bar, and prosecution of subversives.

Many of these Court decisions sorely troubled certain Members of Congress. "Stirred sometimes by resentment against judicial policymaking, sometimes by pressures from interest groups and newspapers whose goals had been thwarted by the Court, sometimes by fear of the effects of the Court's decisions on national security or racial peace, and sometimes by a combination of these causes, many Congressmen supported proposals to reverse various facets of judge-made policies and even to curb the Court's basic authority, in the mid and late 1950's," Murphy stated.

The showdown on such anticourt legislation came in Congress in 1958.

COURT CURB BILLS

The battle in the Senate revolved around several key measures.

One was a comprehensive bill by former Senator William E. Jenner, Republican, of Indiana, to strip from the U.S. Supreme Court appellate power in five categories of cases. A brief hearing was held on the Jenner bill in the Internal Security Subcommittee on August 7, 1957. On February 3, 1958, an attempt was made to push it through the parent Judiciary Committee. Senator Thomas Hennings, Democrat of Missouri, fought the attempt and it failed on a 6-to-6 tie vote. Carroll, who had been appointed to the committee only 4 days earlier, argued at length against committee action on the bill without more complete hearings. He cast the decisive vote to keep the bill from being reported pending further hearings. As a result, lengthy hearings were held on the bill during March and April of 1958.

The Jenner bill was too far reaching to be approved by the Senate Judiciary Committee. So it was extensively modified in

committee by a series of amendments proposed by Senator John Marshall Butler, Republican, of Maryland. As the bill was reported to the Senate on May 15, 1958, it barred the Supreme Court from reviewing State bar admission rules, the only restriction on appellate jurisdiction carried over from the original Jenner bill. It also modified or nullified several recent Supreme Court rulings by legalizing State sedition laws, spelling out the legislative intent of certain provisions of the 1940 antisedition Smith Act, and stating that the two Houses of Congress would be the judge of their own congressional committee investigations.

Carroll was one of a minority of six committee members who voted against the Butler amendments to modify the Jenner bill, and he was one of a minority of five who voted against the modified Jenner-Butler bill when the committee voted 10 to 5 to report it as amended on April 30, 1958. After this vote, Carroll made a motion to refer the bill back to subcommittee for further hearings, but his motion was tabled by a vote of 10 to 5.

A minority report on the new Jenner-Butler bill signed by four committee members including Carroll pointed out that much new language had been added to the highly complex measure since hearings had been held on the original Jenner bill, so additional hearings should be held to determine the impact of the new provisions. The minority report was critical of each provision of the Jenner-Butler bill, and the four signers, Carroll, Hennings, Senators Estes Kefauver, Democrat of Tennessee, and Alexander Wiley, Republican of Wisconsin, stated they opposed the entire bill.

ANTISEDITION BILL

The next anticourt bill which cleared the Senate Judiciary Committee on August 1, 1958, was a measure (S. 654) to permit States to pass antisedition laws, thereby nullifying a 1956 Supreme Court ruling. In that decision the Supreme Court had held that under the 1940 antisedition Smith Act the Federal Government had, by implication, preempted exclusive jurisdiction in the field of sedition. The ruling held invalid provisions of a Pennsylvania sedition act punishing attempted subversion of the Federal Government within the State.

Carroll was 1 of 4 committee members to vote against S. 654. Carroll noted that no hearings had been held on the measure in the 85th Congress. "This is not responsible legislative procedure," he stated. Emphasizing that sedition is a national problem, he added, "If enacted, this bill would revitalize approximately 42 State statutes directed against overthrow of the Federal Government." The State laws were widely diverse, both in their substantive and procedural provisions, and "some have provisions plainly at variance with the Federal legislation (i.e., the Smith Act). Others are vague and lack basic procedural safeguards. Many contain provisions which raise sharp constitutional questions. Yet this bill (S. 654) would in one swoop revitalize all these measures. The problem of subversion against the Government of the United States is a national rather than a local problem. All these factors emphasize the need for a uniform national standard and an integrated centralized program in combating subversion," Carroll stated.

FEDERAL PREEMPTION DOCTRINE

The third bill which cleared the Senate Judiciary Committee, on August 5, 1958, with one dissent, was the so-called preemption bill (S. 337). It was of far-reaching importance to the courts. It provided that no Federal law precluded the enactment and enforcement of a State statute on the same subject unless the Federal statute expressly preempted a certain area or the State law was irreconcilably in conflict with the Federal law. The doctrine of Federal preemption is based on a provision of article 6 of the U.S. Constitution making Federal law the supreme law of the land, and it had been broadly interpreted by the U.S. Supreme Court to apply by implication or inference. S. 337 barred use of the doctrine of Federal preemption by implication.

Carroll was the lone dissenter to S. 337 in the Senate Judiciary Committee. He filed a minority report on S. 337 on August 11, 1958, in which he stated why he opposed the bill. "It is being used as a device to whip the Supreme Court for decisions with which some Members of this body (i.e., the Senate) disagree even though those decisions relate only incidentally or not at all to the constitutional doctrine of preemption * * *. If the proponents of this bill are correct in assuming that the Supreme Court has failed in its task of interpreting the will of Congress—an assumption often repeated and little demonstrated—they still have not made a case for this type of 'shotgun' legislation. They are like doctors who, having concluded the patient needs an operation, proceed to perform it with a rusty meat ax," Carroll stated.

THE MALLORY RULE

The final key anticourt bill cleared the Senate Judiciary Committee on August 8, 1958. This was a House-passed bill known as the "Mallory rule bill." The Supreme Court had ruled on June 24, 1957, that a confession obtained by the Washington, D.C., police from Andrew Mallory, a criminal assault suspect, after his arrest but before his arraignment could not be used in Federal court as evidence because there had been illegal and unnecessary delay (about 21 hours) between the time that Mallory was arrested and the time when he was arraigned. The court ruled that since Mallory's confession was made during a period of illegal detention, it could not be used as evidence in Federal court.

As the Mallory rule bill had passed the House on July 2, 1958, it provided that otherwise valid confessions should not be barred as evidence solely because of delay in arraignment.

As the bill was reported out of the Senate committee it was amended to insert the word "reasonable" before the word "delay." The addition of the word "reasonable" materially changed the effect of the legislation.

The Mallory rule bill was referred to the Subcommittee on Improvements in the Federal Criminal Code, of which Carroll was a member, and this subcommittee held hearings on the Mallory rule bill in July of 1958.

Carroll expressed grave doubts about the bill during these hearings. He conceded that the State and local police now have and perhaps should have a lesser degree of accountability in arresting a man because they are not required to establish probable cause in making an arrest. But Federal law enforcement officers may only arrest for probable cause because they are required to operate under the fourth amendment to the Constitution which protects citizens against unreasonable search and seizure, he pointed out.

Although Carroll was willing to modify the Mallory ruling as it applied to common-law crimes handled by the local police in Washington, D.C., he demurred against a broader modification. "We forget we are opening the door to Federal police in all States of the Union to give them a power that they have never had before in American history," Carroll stated at the hearings. "Shall we permit the Federal police * * * to utilize the interim period between arrest and arraignment to elicit information from a witness to be used against him before arraignment? That has never been permissible under Federal law * * * I want to take a long look at such legislation before we place the stamp of approval upon a Federal police practice of such far-reaching importance," Carroll stated. Legislation modifying the Mallory rule might aid law enforcement officers in their work, Carroll said, but it might also "open the door to abuses in another area" affecting the individual's civil rights vis-a-vis the Federal Government.

LIBERALS GIRD FOR BATTLE

Senate liberals were appalled at the prospect that so much anticourt legislation was being reported to the Senate during the final weeks of the 85th Congress. They decided to put up a last-ditch battle against these bills. In his book, "Congress and the Court," Murphy detailed how the Senate liberals girded for battle, as follows:

"The procourt faction (in the Senate) was also coalescing. Paul Douglas, of Illinois; Thomas Hennings, of Missouri; Frank Church, of Idaho; William Proxmire, of Wisconsin; John Carroll, of Colorado; Jacob Javits, of New York; Joseph Clark, of Pennsylvania; Wayne Morse, of Oregon, and Hubert Humphrey, of Minnesota, formed the core of this group, with perhaps another dozen Senators strongly sympathetic. Liberal leadership was divided among three men, Carroll, Hennings, and Humphrey. Hennings, and more particularly, Carroll, assumed responsibility for keeping the group united around a minimum plan of action, while HUMPHREY was to maintain liaison with the majority leader.

"Choice of leadership of a Senate faction is an informal affair, more a matter of gravitation than official election. But in this instance, at least, the selection had been quite rational, however informal. HUMPHREY, as a close personal friend of LYNDON JOHNSON, of Texas, was the obvious man to work with the (Senate) majority leader. Both he and Hennings were accepted and established members of the Senate's inner club; and, although Carroll was only serving his freshman term, he had already managed to impress his liberal colleagues, as well as the majority leader, without having yet alienated the older conservatives. By pressing for a change in Senate rules to curb filibustering and by opposing the jury trial amendment to the 1957 Civil Rights Act, Carroll immediately established a reputation as a fighting liberal.

"Carroll and Hennings were on the Judiciary Committee, where they had been able to watch much of the enemy's battle plan develop," to pass the anticourt bills, "and Hennings was also secretary of the Democratic Policy Committee, a vantage point from which he could try to block floor consideration of the court bills," Murphy stated

CARROLL CALLS STRATEGY MEETINGS

"In the second week of August, Carroll began calling the (liberal procourt) group together for occasional strategy conferences. These meetings were held in the basement of the Old Senate Office Building, and PAUL DOUGLAS commented that the liberals were beginning to look like the Christians in the catacombs. At one of these gatherings some 15 Senators showed up, but usually only 5 or 6 were present. Yet, no matter how small or large the conclave, it was obvious that the liberals—like the anticourt faction—were divided in their degree of opposition to the court bills as well as in their ideas of how best to cope with the legislative situation. They could agree on only the most general and obvious plan of battle," Murphy related.

The liberals worked out a plan of strategy at these meetings. According to Murphy's account, "the first liberal tactic would be to charge haste and panic, and to plead for postponement until the next session. The second tactic agreed upon tied in with the first; to talk at great length on the floor, to be ready to talk at greater length, and then to press for motions to table or to recommit rather than allow a vote on final passage. When their quasi-filibuster was going on, the liberals could approach the majority leader and caution him not to bring up more court bills lest the Senate never adjourn. If all of this failed, they agreed to resort to dentistry, and by amendment, to try to pull some of the teeth of the anticourt measures," Murphy stated.

The procourt group also had some powerful allies. The Attorney General was certain to prevail on then President Eisenhower to veto most of the anticourt bills, and he had so stated. LYNDON JOHNSON, the then Senate majority leader, had grave doubts about the anticourt measures, particularly from the aspect of their upsetting the balance of power among the three branches of Government, and JOHNSON quietly determined to use his great legislative skill to shelve most of these measures.

LIBERALS THROW DOWN GAUNTLET

Murphy said that the procourt group decided to make their first concentrated public move about 2 weeks before the end of the congressional session. Murphy's account is as follows: "On the 12th of August, the liberals put their opposition to the court bills in writing. Hubert Humphrey personally delivered a letter to Johnson signed by himself and nine other Senators, Paul Douglas, John Carroll, Wayne Morse, Joseph Clark, Thomas Hennings, Pat McNamara, Richard Neuberger, William Proxmire, and John Kennedy."

Their letter stated: "We are deeply concerned that, in the last-minute rush to adjourn, one or more decisions of the U.S. Supreme Court may be overruled by hasty legislation enacted without adequate consideration. A great debate on the recent decisions of the Supreme Court has much to recommend it, but we do not believe that the last days of the Congress are the appropriate time for such a debate. We urge you to announce this great debate for the next session of Congress rather than bring up legislation to reverse isolated decisions in this last stage of the Congress," the liberals stated.

To try to placate the anticourt group pressing for action on the court bills, JOHNSON decided to bring up the least controversial of the anticourt measures, the House-passed Mallory rule bill. It passed the Senate on August 19, 1958, by a vote of 65 to 12, after the Senate agreed to a committee amendment by a 41 to 39 rollcall vote which added the word "reasonable" before the word "delay." The liberals supported the committee amendment, but split on the bill's passage. Carroll supported both. Carroll was also named a conferee to the Senate-House conference committee to compromise differences in the two versions of the bill.

JENNER-BUTLER BILL DOWN DRAIN

The following day, on August 20, 1958, Jenner sought to add the Jenner-Butler bill as a rider to a minor court bill. But the Jenner-Butler bill went down the drain when Hennings' motion to table or kill it was agreed to 49 to 41. All of the liberals including Carroll coalesced behind the Hennings motion, and they were jubilant with the demise of the Jenner-Butler bill.

But their jubilation was short lived. The anticourt group regrouped behind an amendment by Senator JOHN L. MCCLELLAN, Democrat, of Arkansas, to add the text of a House-passed bill similar to S. 337 banning Federal preemption by implication to S. 654, the Senate bill permitting States to enact laws barring subversive activities. A motion by Hennings to table the McClellan amendment was rejected 46 to 39 on August 20, 1958, although all of the liberals voted for the Hennings motion and the Eisenhower administration supported it.

The procourt group sought final passage of the amended S. 654 immediately. Carroll sought to make a motion to recommit the bill to the Senate Judiciary Committee, thereby killing it for the session. Johnson decided to postpone a showdown on the bill until the next day. He asked Carroll to yield the floor to him to adjourn the Senate until noon of August 21. Carroll did so, with the understanding that he would be able to make his motion to recommit the bill when it was again taken up in the Senate.

CARROLL RECOMMITAL MOTION

Frantic lobbying went on nearly all day on August 21, 1958, as both the procourt and anticourt groups sought to swing undecided Senators to their side. Early in the afternoon, according to Murphy's account, JOHNSON'S tally indicated that Carroll's motion would be defeated by a vote of 42–40 if it were brought up at that time. Johnson played for more time, primarily to try to get several Senators who might favor the anticourt bill to stay off the Senate floor and withhold their vote.

Murphy's account of this tense period in the Senate, just prior to a major test on curbing the powers of the U.S. Supreme Court, read as follows: "Carroll waited for word from JOHNSON when to take up his recommittal motion again. He expected it at 1 p.m., but JOHNSON sent him a message to hold a while longer. A little after 2 p.m., when Carroll was eating lunch, the AFL–CIO called his office to tell him that they thought they had swung the necessary votes to carry his motion. Carroll checked with JOHNSON, but the majority leader was not sure. It was not until just before 5 p.m., that JOHNSON was willing to go ahead. When the clerk began calling the roll on Carroll's motion to recommit the anticourt bill, the majority leader was nervously pacing around the Senate chamber. He knew the vote was going to be close, and to add to the drama and suspense, Senator WALLACE F. BENNETT, Republican of Utah, was off the floor when his name was called.

"While the voting was going on, Bennett had come onto the floor and was counting the roll. After the pairs were announced and the last name ticked off, the count stood at 40–40. * * * The clerk read Bennett's name again. In a steady voice the Senator from Utah called out 'Aye'," Murphy related.

Carroll's motion had carried by 1 vote, 41 to 40, thereby killing the major anticourt bill on its key test in the Senate, on August 21, 1958. Carroll was toasted as the hero of the procourt group that August night. Neuberger paid the ultimate compliment to Carroll after the vote. The Oregonian told the Coloradan that if he never did another thing in the Senate, he had earned his place in history that night.

MALLORY RULE BILL SHELVED

The final anticourt bill still alive at that point was the Mallory rule bill, which was in conference committee. The five Senate conferees, of whom Carroll was one, and the five House conferees spent 2 days haggling over the addition of the word "reasonable" to the House-passed bill.

Finally, on August 23, 1958, just on the eve of adjournment, the joint Senate-House conference agreed to a bill which was different from both the House version and the Senate version, but was much closer to the House version. As reported by the conference committee, the bill provided that reasonable delay in arraignment would not, of itself, invalidate a confession obtained during such a delay; that no confession or statement would be admissible unless, prior to interrogation, the suspect had been advised of his right to silence and warned that anything he said might be used in evidence; and, finally, that "such delay is to be considered as an element in determining the voluntary or involuntary nature of such statements or confessions." Chairman Emanuel Celler, Democrat, of New York, of the House Judiciary Committee, Carroll, and Wiley refused, as conferees, to sign the conference report.

Carroll told Senator WAYNE MORSE, Democrat, of Oregon, who has a keen interest in Washington, D.C., as a long-time member of the Senate District of Columbia Committee, that the procourt conferees had lost their battle on the Mallory rule bill in conference. A fighting liberal of the last-ditch variety who is one of the Senate's champion filibusterers, MORSE suggested to Carroll that they organize a group of liberal Senators to filibuster the conference report to death. Carroll agreed, and the two Senators recruited several others, including DOUGLAS, and went into the marble room off the Senate floor to rest up, thereby gathering strength for their potential filibuster. All of the Members of the Senate were dog tired, it was the eve of adjournment, and this mere threat to filibuster was a trump card.

As the long hours of adjournment night dragged on, a member of the JAVITS staff pointed out to Carroll that under the rules of the Senate a point of order might be successfully raised and sustained against the conference report because Senate rules forbid the insertion of new matter in a conference report. If a point of order were sustained, the conference report would be recommitted to conference, which would bury it for the session, as the Senate was at the point of adjournment.

Carroll checked out the point-of-order proposal with the Senate parliamentarian and also with the then Vice President Richard M. Nixon, to be sure that it would be sustained. Nixon took the matter under advisement, then told Carroll that he would sustain the point of order if Carroll made it. Faced with the prospect of a potential filibuster and Carroll's raising a point of order against the conference report on the Mallory rule bill, the Senate Democratic policy committee threw in the towel on the last anticourt bill still before the Senate.

When the conference report was brought up as the last matter of business in the 85th Congress, Carroll and MORSE read into the RECORD statements made in the meetings of the conference committee to prove that new matter had been added to the bill in conference.

Carroll then made his point of order, and JOHNSON "asked for a ruling from the Chair," Murphy related. "At 10 minutes past 4 a.m. in the morning the Vice President played his role properly by sustaining Carroll's motion. The Senate adjourned at 4:11 a.m. Sunday, August 24. The attack on the Warren Court which had come in with a thunderclap went out with a sham battle over a point of order," Murphy stated.

Carroll had made a great contribution to the cause of preserving the independence of the judiciary and to the preservation of constitutional liberties as the Senate adjourned early that Sunday morning. Within a period of 3 days he had successfully killed two

anticourt bills, one on a motion to recommit and another on a point of order. The back of the congressional drive to curb the U.S. Supreme Court had been broken by Carroll's and Hennings' procedural motions. It never built up steam again.

DOUGLAS, the leading liberal in the Senate, called Carroll "the real hero" of the battle to preserve the jurisdiction of the U.S. Supreme Court and to preserve constitutional rights.

Clark Foreman, director of the Emergency Civil Liberties Committee, praised Carroll's work on the Mallory rule legislation, first by watering down the bill in committee and then by shelving it in the Senate. The civil liberties committee regarded the bill as "a very serious attempt to weaken constitutional guarantees of the fourth amendment," Foreman said.

CARROLL ON CIVIL RIGHTS

Throughout his 6-year Senate career, Carroll was always active in the perennial drive to liberalize Senate rules to improve the chances for enactment of civil rights bills in the Senate and in the recent drive to extend Federal protection to Negroes who want to vote in the South, but who are presently disenfranchised in many areas because of State laws and local custom.

It became apparent as soon as Carroll joined Senator GORDON ALLOTT, Republican, of Colorado, in the Senate in 1957 that these Colorado Senators were both more civil rights minded than the old Colorado Senate team of former Senator Ed C. Johnson, Democrat, of Colorado, and the late Senator Eugene D. Millikin, Republican, of Colorado.

In 1957 Carroll and ALLOTT voted against a motion by LYNDON B. JOHNSON, Democrat, of Texas, then the Senate Democratic leader, to table, or kill, a motion by Senator CLINTON P. ANDERSON, Democrat, of New Mexico, to adopt new Senate rules to ease the method of limiting Senate debate, and thereby improve the chances for passage of civil rights legislation. JOHNSON's motion was agreed to 55 to 38 on January 4, 1957, but the Colorado Senators set a new pattern in both voting against it.

Also in 1957 Carroll and ALLOTT lined up with a bipartisan coalition of moderates and liberals from the North and West to oppose a point of order raised by Senator RICHARD B. RUSSELL, Democrat, of Georgia, against a move to refer a House-passed civil rights bill directly to the Senate, thereby bypassing the Senate Judiciary Committee. RUSSELL's point of order was rejected by a vote of 45 to 39, on June 20, 1957.

In voting against the RUSSELL point of order, Carroll said at the time: "I have been fighting for civil rights and civil liberties for a long time, for about 25 years. I am tired of watching civil rights bills blocked by legislative committees in Congress. No civil rights bill has ever passed the Senate. It always has been tied up by committee. After the House passed the civil rights bill with an overwhelming majority, and the Senate Judiciary Committee sat on a civil rights bill for 5½ months without reporting a measure, it just seemed to me there was nothing to do but remove the roadblock of the Senate Judiciary Committee and place the House bill on the Senate Calendar for Senate debate."

THE 1957 CIVIL RIGHTS BILL

As the civil rights bill passed the House on June 18, 1957, it created a six-member Civil Rights Commission to investigate deprivations of the right to vote and ordered it to report its findings to the President within 2 years. It authorized the President to name an additional Assistant Attorney General to head a new civil rights division in the Justice Department. It authorized the Attorney General to seek injunctions in Federal courts in the name of the U.S. Government against any person who has "engaged or is about to engage" in acts which would deprive a citizen of his voting rights or other civil rights. It granted Federal courts jurisdiction over such civil rights cases "without regard to whether the party aggrieved shall have exhausted" State administrative or judicial remedies. Finally, the House-passed bill made it unlawful for a private individual to interfere or attempt to interfere with a citizen's right to vote.

Carroll was one of a small band of liberal Democrats in the Senate who fought in vain to keep the House bill intact.

This group literally lived civil rights legislation night and day during the month-long debate in the Senate. Both as a civil libertarian and as an attorney, Carroll was fascinated with the subject. He pored over law books and sought out cases from the American Law Division of the Library of Congress to bolster his arguments. He deplored the lack of figures on voting statistics and he sought data from the Department of Justice on voting infringements in the South. He distributed from his office a book based on a series of articles which had appeared in a national magazine relative to the South's decision to oppose the 1954 Supreme Court school desegregation decision.

The first critical test in the Senate was on an amendment by Senator ANDERSON and Senator GEORGE D. AIKEN, Republican of Vermont, which eliminated a key provision in part III of the House bill permitting the Attorney General to institute civil action for preventive relief in civil rights cases. The Anderson-Aiken amendment had the effect of limiting the bill to the enforcement of voting rights only. The amendment was agreed to by a vote of 52 to 38 on July 24, 1957, in the Senate, with both Colorado Senators voting against it.

Carroll strongly opposed the amendment because it prevented the Attorney General from seeking an injunction in Federal court to enforce school integration and other civil rights. He told the Senate there were many infringements on the civil rights of minorities throughout the country which could be rectified only by keeping intact part III of the House-passed bill.

"I represent 150,000 Spanish-speaking citizens in Colorado," Carroll told the Senate. "I am not afraid to have the Attorney General assert their constitutional rights in the Federal court of Colorado as the need arises," Carroll said.

JURY-TRIAL AMENDMENT

Carroll fought even more strongly against the key jury-trial amendment which was finally added to the bill in the Senate. After many changes in final form this amendment guaranteed jury trials in all cases of criminal contempt, not only those arising out of the civil rights bill, and it provided for uniform methods of selecting Federal court juries. The jury-trial amendment finally was agreed to in the Senate by a vote of 51 to 42 on August 2, 1957. Carroll was one of only nine Democrats who voted against it.

The amendment was bitterly fought by this little band of Senate liberals including Carroll, by many top legal experts, and by pro-civil-rights groups for many reasons. These reasons included its far-reaching effect on Federal statutory law, the likelihood that the jury-trial amendment would delay action on voting rights violations and the likelihood that southern juries would not convict defendants in civil rights cases.

Carroll denounced the amendment on the Senate floor. He told the Senate, "It is not a question of whether we are going to protect the right of trial by jury. That is sheer nonsense. Never in the history of the Nation has such a right been granted in this type of case." He proposed a three-judge court to determine a criminal contempt case arising out of a voting rights violation as an alternative to the jury-trial amendment, but his proposal never got anywhere.

The badly outnumbered Senate liberals lost the battle but those who voted against the jury-trial amendment were heroes in the eyes of the pro-civil-rights group. In addition to Carroll, they were Douglas, Humphrey, McNamara, Hennings, Morse, Neuberger, Clark, and Senator Stuart Symington, Democrat of Missouri.

As the bill finally cleared Congress, it established a commission to investigate allegations of voting rights violations and set up a new civil rights division in the Department of Justice. It empowered the Attorney General to seek an injunction when an individual's voting rights were in jeopardy, and it empowered Federal district courts to take jurisdiction over such cases. It entitled a defendant in any major criminal contempt case involving voting rights or other rights to a jury trial, and it gave Negroes the right to serve on juries in Federal cases tried in the South.

The 1957 civil rights bill was not all that Carroll wanted or fought for. But he said, "It is not all we desire, but I believe it represents a step forward. We have established a beachhead, I believe that at least we are on the trail of civil rights legislation. We must move forward and never relax our efforts until we have provided genuine protection of civil rights" to all Americans, as civil rights are "the heritage of every American."

In 1959 the Senate moved a step closer to an effective curb on filibusters. Once again ANDERSON made a motion to consider the adoption of more liberal Senate rules, and once again Johnson successfully tabled ANDERSON's motion by a vote of 60 to 36 on January 9, 1959. Carroll and Allott voted against the Johnson motion. The liberals, including Carroll, then got behind a proposal by DOUGLAS to limit Senate debate by the affirmative vote of 50 Senators 15 days after 16 Senators filed a cloture motion. DOUGLAS' proposal was rejected 67 to 28 on January 12, 1959.

A slight modification was made in 1959 in the Senate cloture rule for the first time in 10 years when Johnson and Senate Republican leader EVERETT M. DIRKSEN, Republican, of Illinois, offered a proposal to limit Senate debate by a two-thirds vote of the Senators voting, instead of two-thirds (then 66) of the total Senate membership. The Johnson-Dirksen resolution was adopted 72 to 22 on January 12, 1959, with the support of both Colorado Senators. The vote indicated that the Senate as a whole had permanently shifted away from its traditional do-nothing position on civil rights.

CARROLL FORMULA

By now Carroll was up to his eyebrows in civil rights legislation, both as a member of the Senate Judiciary Committee and as a member of its Constitutional Rights Subcommittee. He fought in subcommittee for all legislative proposals to extend civil rights, but he also was intent on getting some type of bill through committee and to the Senate floor for debate. In July 1959, he presented what he called "the Carroll formula," which he defined as an attempt to bring "a barebones bill" to the Senate floor from committee with the hope that some meat on the bones of the bill could be added by amendment on the Senate floor.

The bill which was approved by the Constitutional Rights Subcommittee on July 15, 1959, fit the "Carroll formula." It ex-

tended the life of the Civil Rights Commission for 2 years and required that election officials must preserve voting records for 3 years and make them available for inspection by Federal law enforcement officers. Carroll called the bill "a skeleton," but he was optimistic that it could clear the Senate Judiciary Committee despite the opposition of the southern members.

The key provision of civil rights measures under study by the subcommittee was scrapped on June 17. At that time the subcommittee voted 5 to 3 to remove from the measure under study a provision which would have empowered the Attorney General to initiate civil rights suits to safeguard all civil rights, not merely voting rights which had been covered in the 1957 Civil Rights Act. Carroll was one of the three subcommittee members to vote against omission of the key provision.

But even with this omission, the 1959 civil rights bill failed to clear the Senate Judiciary Committee. In order to keep the Civil Rights Commission alive, a rider had to be added to an appropriation bill in the closing days of the 1959 session. Carroll supported the rider.

THE 1960 CIVIL RIGHTS BILL

When it became apparent that the liberals on the Senate Judiciary Committee could not muster the votes to report out even a skeleton bill, Johnson on February 15, 1960, called up a minor House-passed bill and invited Senators to offer civil rights amendments to it. This precipitated a southern filibuster. The liberals resumed their strategy meetings and had to stand duty on the Senate floor throughout the filibuster. Carroll was one of those to stand duty.

Finally, on March 8, 1960, a bipartisan group of 31 liberal and moderate Senators, including both Coloradans, offered a petition to limit debate, despite leadership opposition. Two days later, on March 10, 1960, DOUGLAS and JAVITS made a motion to limit debate and thereby choke off the filibuster. It was rejected by a vote of 53 to 42, both Colorado Senators voting for it.

The House on March 24 passed a civil rights bill, and the Senate immediately adopted a motion by Johnson referring the House-passed bill to the Senate Judiciary Committee with instructions to the committee to report the bill back to the Senate no later than midnight of March 29, 1960. There was feverish activity in the committee. It held hearings on March 28–29, and it reported out an amended bill to the Senate on March 29. The Senate took up the bill on March 30, 1960, on a motion by Johnson agreed to by a vote of 71 to 17.

REFEREE CONTROVERSY

As the bill had passed the House, it provided for court-appointed referees to help Negroes register and vote when the court found that a pattern of discrimination existed. The bill also made a crime the obstruction of court orders to carry out school desegration. And it required the preservation of court records.

In committee Carroll offered an amendment to give courts the authority to waive the requirement that a Negro must prove to the referee that he was refused registration by a State official. His amendment was rejected by a vote of 10 to 4, on March 29, 1960.

KEFAUVER offered an amendment that was agreed to on March 29 by a 7 to 6 vote in the Senate Judiciary Committee. It struck out language in the bill insuring that a Negro's appearance before a voting referee would be ex parte (without cross examination by opponents). The Kefauver amendment also added a provision that hearings would be held in a public office, that the referee must give the local registrar 2 days' written notice of the time and place of the hearing, and that the registrar or his counsel might appear and make a transcript of the proceedings.

Carroll voted for the Kefauver amendment in committee, but he later had misgivings about it. Although the purpose of the Kefauver amendment was said to be to avoid a star chamber proceedings, opponents claimed it would have the effect of intimidating southern Negroes from seeking their voting franchise.

So on April 1, 1960, Carroll offered on the Senate floor a substitute for the Kefauver amendment. Carroll's amendment was agreed to by a vote of 69 to 22. It restored the House language requiring that the hearing before the referee be held ex parte, and it allowed the court to set the time and place of the hearing. It was a key amendment to the House-passed civil rights bill, and one of only two accepted on the Senate floor. Carroll was also cosponsor of the other amendment which was offered by DIRKSEN and agreed to by the Senate on April 7, 1960, on a 79 to 12 rollcall vote; it provided if a Negro's application to register were challenged, the court could allow him to vote provided that he "shall be qualified to vote under State law." There were varying interpretations of the effect of the Dirksen-Carroll amendment. Carroll claimed it would circumvent delay, and that it would be unlikely that proceedings would be brought to test a Negro's registration application until after the election.

VENUE AMENDMENT

Carroll also offered an amendment to the civil rights bill considered by the Senate prior to action on the House-approved bill. His amendment, agreed to by the Senate by voice vote on March 14, 1960, amended a provision making bombing a church or school a Federal crime by providing that the offender could be prosecuted either in the Federal judicial district in which the crime was committed or in which he was held in custody before fleeing. The purpose of the amendment was to provide for orderly judicial procedure in conformity with the Constitution.

One of Carroll's Senate floor amendments was tabled or killed on a rollcall vote of 62 to 32 on April 6, 1960. It provided that the court could have discretion to waive the requirement that a Negro seeking a voting certificate under the referee plan must prove that he had tried to register with State officials and had been refused even after a pattern of discrimination had been found by the court.

As the bill passed the Senate on April 8, 1960, by a vote of 71 to 18, and as it finally cleared Congress on April 21, this second civil rights bill since 1875 provided that obstruction of all Federal court orders was a crime. It outlawed all bombings and bomb threats, required preservation of voting records and provided for court registration of Negroes.

Carroll and ALLOTT voted for the 1960 civil rights bill as the only alternative to no legislation at all, but Carroll predicted, "even with a voting procedure provided for in the bill, it will take 20 or 25 years before it will come into full fruition."

The 1960 civil rights battle indicated that although Carroll was a liberal in good standing in the Senate on the question of civil rights, he was not an extremist. "I'm a realist as well as a civil rights advocate," he stated. He, therefore, became a kind of "bridge" between the southerners on the Senate Judiciary Committee and his liberal allies who did not serve on the committee.

Following the national political conventions on September 1, 1960, Carroll joined with Democratic Presidential Nominee John F. Kennedy and 22 other Democratic Senators to pledge action in the next Congress on legislation in all fields of civil rights "to assure an American his full constitutional rights and to make equal opportunity a living reality for all Americans."

KENNEDY ADMINISTRATION

The high hopes of the liberals for speedy action on civil rights in 1961 did not materialize, however, primarily because the closeness of the 1960 election indicated that Mr. Kennedy would have to take measured steps in this field to keep his party intact.

At the beginning of the 87th Congress in 1961 Carroll favored proposals advanced by liberals to shut off debate in the Senate either by a simple majority after reasonable debate, as Clark advocated, or by a vote of three-fifths of the Senators present and voting, as proposed by Anderson.

Both Colorado Senators voted against a motion by the new Senate majority leader, MIKE MANSFIELD, Democrat, of Montana, and DIRKSEN to refer ANDERSON'S proposal to the Senate Rules Committee for study. The Mansfield-Dirksen motion was agreed to, however, by a 50-to-46 vote on January 11, 1961. Carroll commented at the time that the action put "old King Filibuster back in the saddle in the Senate," thereby dooming any civil rights legislation for 1961.

One measured advance on the civil rights front was made by the Senate on March 27, 1962, when it approved a constitutional amendment barring the imposition of a poll tax and its payment as a qualification for voting in Federal elections and primaries. The resolution was approved by a vote of 77 to 16, with both Carroll and ALLOTT voting for it.

But the administration-backed bill to require that anyone with a sixth-grade education must be passed in a literacy test for voting in Federal elections went down the drain on May 14, 1962, when MANSFIELD and DIRKSEN were unable to limit debate on the measure. Their motion to limit debate was rejected by a vote of 52 to 42. Carroll voted for it. Carroll was appalled at some of the technical and complicated literacy tests given Negroes in the South when the tests were under study before the Senate Constitutional Rights Subcommittee in March and April 1962. "In my State," Carroll noted at the literacy test hearings, "if only 100 people were denied the right to vote, why there would be sort of a political revolution."

WIRETAPPING

Carroll's final major contribution to the civil rights battle in the Senate, from a civil libertarian point of view, was his successful battle to keep a wiretapping bill from being reported by the Senate Judiciary Committee until it was too late to permit enactment of wiretapping legislation in the 87th Congress.

The Kennedy administration wants Congress to enact legislation to permit legalized, controlled wiretapping by Federal law enforcement officers and the right to use information thus obtained in court in certain cases involving national security, organized crime, and certain serious crimes. It also would authorize State wiretapping and use of evidence thus obtained in court in a limited category of crimes, under Federal regulation.

Wiretapping is done by local police and by State and Federal enforcement officers although the status of information obtained through wiretapping to be used as evidence is very much clouded by conflicting court decisions and by conflicts in Federal and State laws. The central issue in wiretapping is how to balance the need for better tools

for law enforcement in these days of high-speed communications as against the individual citizen's right to privacy and personal liberty.

Carroll recognizes that legislation is needed in the field of wiretapping, but he is sorely troubled as to how this is to be accomplished. At hearings held on the subject in May 1961, before the Senate Constitutional Rights Subcommittee, Carroll stated, "I recognize there is a need for change under the present law and the present Supreme Court decisions. The real question is, How far do we go? I recognize that in the State of New York they have different problems than we have in Colorado. * * * I know in my own State when the FBI moves in to help we get cooperation from the local police, from the law enforcement officials, and sometimes even from the phone company. This might not strictly conform to the law. There is a vacuum here, and in operating our system of government, we just can't deal in a vacuum," he stated.

CONTRA TO CONSTITUTION?

Carroll is greatly concerned about the constitutional question posed by new legislation to legalize wiretapping. "It is one thing to keep track of what the criminal is doing, but I think it is quite another thing to put wiretapping in the same category as search and seizure in the fourth amendment—to make wiretapping evidence admissible in court. Once we extend the concept of interception and divulgence and the admissibility of evidence by wiretap, isn't the next step the electronic device, the bugging, the spike in the wall, the microphone planted along the windowpane? How far are we going to permit this invasion of privacy?" he wondered aloud in committee.

Carroll is particularly sensitive about this general subject because when he was district attorney of Denver (1937–41) he prosecuted a case[1] in which a microphone was planted in a grandfather clock in the executive chambers of the Governor. Carroll tried the case under a 300-year-old common law crime of eavesdropping. The defendants were found guilty and the Colorado Supreme Court upheld the conviction and the lawyers responsible for the bugging were disbarred. On the basis of this famed case, Carroll states, "Colorado takes a very dim view of wiretapping."

Carroll held out for the most exhaustive type of study on this subject before Congress takes final action on a wiretapping bill. But as no other member of the subcommittee showed such marked concern about assuring that it would not encroach on constitutional guarantees and as Carroll will round out his Senate career in January 1963, informed observers believe that a fairly comprehensive wiretapping bill will pass in the next Congress.

[1] *People* v. *Ellis* (101 Colorado Reports 101; 70 pp. 2d 346).

TRIBUTE TO SENATOR A. WILLIS ROBERTSON, OF VIRGINIA

Mr. STENNIS. Mr. President, a noteworthy development of recent years has been that Members of Congress have been meeting with parliamentarians from the NATO countries, from Canada and Mexico, from Latin America, and from the British Commonwealth, as well as from other parliamentary bodies around the world.

Of these interparliamentary bodies the oldest is the Interparliamentary Union, whose origin dates back to 1889. The Union, which now has some 65 member countries, brings together parliamentarians representing different ideologies and countries for the objective study of political, economic, social, juridical and cultural problems of international significance. For this purpose, two important sessions are held each year. They function as a grand forum where the tribunes of the people from every continent and country can exchange views on all international problems suitable for settlement by legislative action. They also serve as a center for the comparative study and development of parliamentary institutions so as to improve their operations and enhance their prestige.

At its 51st Conference last October in Brasilia the Interparliamentary Union showed once again its independence and vitality. This was demonstrated both by the high quality of its debates and by the resolutions which were adopted appealing to the great powers for peace, calling for the reestablishment of freely functioning parliaments in all countries, supporting the role of international trade in promoting balanced economic and social progress in developing countries, and setting forth methods and prerequisites for general disarmament.

The meeting of the IPU in Brasilia last fall coincided with the sudden emergence of the Cuban crisis and added much tension and drama to its debates. Delegates of the United States—six Senators and six Representatives—participated actively in all these debates. Senator A. WILLIS ROBERTSON served as chairman of the U.S. delegation and was its eloquent spokesman in the general debate on the Cuban crisis and on the subject of arms control.

Other Senators who served ably and with credit were the Senator from Hawaii, Mr. Long; the Senator from South Carolina, Mr. Thurmond; the Senator from Georgia, Mr. Talmadge; the Senator from Texas, Mr. Yarborough; and the former Senator from New Hampshire, Mr. Murphy. I also had the honor of serving as a member of the Senate delegation.

Members of the House of Representatives who served, with great distinction, were Representative W. Robert Poage, of Texas; Representative Paul C. Jones, of Missouri; Representative Dale Alford, of Arkansas; Representative Phil Weaver, of Nebraska; Representative Thomas N. Downing, of Virginia; and Representative Lucien N. Nedzi, of Michigan.

The vigorous defense by the Senator from Virginia [Mr. ROBERTSON] of the President's Cuban policy was received with warm applause by all the delegates except those of the Soviet bloc. I have been informed, Mr. President, by other members of our delegation to the conference at Brasilia that the Senator from Virginia [Mr. ROBERTSON], was our star performer there, and that he brilliantly arose to the occasion during the emergency at a crucial moment.

Upon their arrival in Brazil the delegates of the United States to the Union Conference received a very instructive and informative briefing on economic and political conditions in that country from our able Ambassador, Lincoln Gordon, and his staff. After the Conference, Ambassador Gordon sent a telegram to our delegation which I would like to read to the Senate. He said:

I want the delegation to know that I have followed the deliberations in Brasilia with great interest and appreciation. I am most impressed with the dedication exhibited not only in faithful attendance, but in serious deliberation and exercise of leadership in Interparliamentary Union activities. It causes considerable satisfaction, though certainly no surprise, to receive numerous reports of the good will and support your delegation has gained for the United States of America as a nation and as leader in mankind's constant efforts to maintain peace, retain his freedom, and improve his lot.

Mr. President, I want to offer my sincere congratulations to the Senator from Virginia for his distinguished leadership of the congressional delegation to the IPU meeting in Brasilia last October. I am sure that I speak for the entire Senate in congratulating the junior Senator from Virginia for his successful guidance and his inspiring leadership of the U.S. delegation, as well as all the other members of the delegation whose performance at Brasilia won so many compliments there. The full text of their speeches and of the resolutions that were adopted by the Conference will be found in the forthcoming report of our delegation to the 51st Conference of the Interparliamentary Union.

Mr. President, in the rush of news concerning the Cuban crisis last October, the news of the achievements and accomplishments of this delegation, headed by the Senator from Virginia [Mr. ROBERTSON], was crowded out of the more conspicuous channels of news media in the United States; and I believe the full impact of their efforts and activities there has not been fully realized, and should certainly be further publicized, in addition to our extending congratulations for their achievements.

There was introduced at that Conference of the Interparliamentary Union during the Cuban crisis a resolution which was presented by the Yugoslav delegation concerning the Cuban crisis. It certainly was not leaning in our favor. In fact, it was critical of our position.

I ask unanimous consent that the resolution as originally introduced by the Yugoslav delegation be printed in the RECORD at this point.

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

INTERPARLIAMENTARY UNION 51ST INTERPARLIAMENTARY CONFERENCE, BRASILIA, OCTOBER 24–NOVEMBER 1, 1962

DRAFT RESOLUTION PRESENTED BY THE YUGOSLAV DELEGATION

The 51st Interparliamentary Conference,

Deeply disturbed by the sudden increase in international tension and by the dangerous consequences which the blockade of Cuba entails for world peace;

Convinced that it should be possible to settle all international disputes without resort to force through direct negotiations between the parties concerned or through the procedures provided for this purpose in the Charter of the United Nations;

Convinced that all possibilities of an equitable agreement on existing problems in the Caribbean region have not yet been exhausted;

Appeals urgently to the Governments of the United States and the Soviet Union to avoid any action which might lead to catastrophe and a general conflict for the peoples of the world;

Invites the United Nations to take urgently, in the spirit of the charter, all appropriate measures which would contribute to the maintenance of peace and the settlement of the present dispute.

Mr. STENNIS. Mr. President, due to the skillful operations, diligence, great earnestness, and sincerity of our delegation attending the Conference, that resolution was amended—drastically amended—in such a manner as to totally defeat its original purpose.

Under the circumstances this was a worthy achievement indeed.

I ask unanimous consent that at this point in the RECORD I be permitted to insert a draft of the revised resolution as passed by the Interparliamentary Union.

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

INTERPARLIAMENTARY UNION, 51ST INTERPARLIAMENTARY CONFERENCE, BRASILIA, OCTOBER 24–NOVEMBER 1, 1962

DRAFT RESOLUTION PRESENTED BY THE YUGOSLAV DELEGATION

The 51st Interparliamentary Conference, deeply disturbed by the sudden increase in international tension and by the dangerous consequences which the recent events in Cuba and the Indo-Chinese border entail for world peace;

Convinced that it should be possible to settle all international disputes without resort to force through direct negotiations between the parties concerned or through the procedures provided for this purpose in the Charter of the United Nations;

Convinced that all possibilities of an equitable agreement on existing problems have not yet been exhausted;

Appeals urgently to the Governments concerned to avoid any action which might lead to catastrophe and a general conflict for the peoples of the world;

Invites the United Nations to take urgently, in the spirit of the charter, all appropriate measures which would contribute to the maintenance of peace and the settlement of the present dispute.

Mr. STENNIS. Mr. President, as further reflecting the activities of the chairman, the Senator from Virginia [Mr. ROBERTSON], as well as our other esteemed and valuable members of the delegation, I ask unanimous consent that there be included in the RECORD at this point a copy of the remarks made by Senator ROBERTSON at the Conference on October 30, 1962.

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

METHODS AND PREREQUISITES FOR GENERAL DISARMAMENT: MEASURES FOR LESSENING INTERNATIONAL TENSION

(Speech by Senator A. WILLIS ROBERTSON, chairman of the U.S. delegation to the 51st Interparliamentary Union Conference, Brasilia, October 30, 1962)

In an age characterized by strife and discord, when many feel that we are suspended between two worlds—the one dead, the other not yet capable of being born—the delegation of the United States of America points with pardonable pride to the record of our country in behalf of peace.

We have participated in two World Wars, both of which have been defensive wars for the preservation of personal freedom and a democratic way of life. In neither of those wars in which we were victorious, did we ask for the territory of any nation or for booty. On the contrary, at the end of World War II, we were so distressed over the misery and suffering that had resulted from that conflict that we promptly proceeded to aid in the rehabilitation, first of our Allies, later of those who had fought against us, and still later, of needy nations elsewhere in the world. In that undertaking, we have expended more than one hundred billion dollars. Never before in recorded history has any nation ever poured out its wealth in such a prodigal manner for the cause of the future peace of the world.

In addition to that program of rehabilitation on a worldwide basis, we have repeatedly, first at the United Nations in New York, and later at Geneva, Switzerland, made proposals for world peace which have been vetoed by the Soviet Union. Today we stand on that record. Today we still hope that a nuclear war that would destroy civilization as we have known it, can be avoided.

Ever since the end of the last World War, as evidenced by our joining in sponsorship of the United Nations, we have been, and still are, ready to support a program of arms control based upon full and adequate measures of inspection. The objectives of such a program must be the maintenance of the security of all free nations and the preservation of their honor, dignity, and self-respect. Concessions inconsistent with these objectives will never be acceptable to us. On the contrary, we hope all free nations of the world will join with us in reaffirming the traditional attitude of our country expressed by Patrick Henry of Virginia. Prior to the Declaration of Independence in 1776, he said:

"Is peace so sweet or life so dear as to be purchased at the price of chains and slavery? Forbid it, Almighty God."

Mr. STENNIS. Further, Mr. President, I ask unanimous consent that a copy of the additional remarks made by the chairman of the delegation, Senator ROBERTSON, also be included in the RECORD at this point.

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

REMARKS OF SENATOR A. WILLIS ROBERTSON, CHAIRMAN, U.S. DELEGATION TO THE INTERPARLIAMENTARY UNION

Mr. President, on behalf of my entire delegation, I want to express our appreciation to our Brazilian hosts for the cordial hospitality with which we have been received here and for the excellent arrangements which have been made for this Conference. It is a particular pleasure to be meeting in this magnificent new city of Brasília which surely ranks as one of the modern wonders of the world.

I would like also to compliment the Secretary General on his annual report which meets the high standards we have come to expect. It is in every way a first-rate document.

I had hoped to talk today about some of the responsibilities and opportunities we have as legislators to strengthen representative political institutions. But the attention of all of us has been diverted by the gravest threat of nuclear war since the Communist invasion of the free Republic of Korea more than a decade ago.

Now, as then, it is international communism, founded in deceit and backed by ruthless power, which is responsible.

Two elements have been added, so that in the present crisis we are dealing with a threat of a new magnitude and a new dimension. Technology has rapidly given the world more awful weapons. And these weapons have now been introduced into a part of the world which had hitherto been spared their presence.

This lends a new urgency to that topic of our agenda which deals with disarmament. Yet at the same time, it casts something of an aura of unreality over the millions of words which have been said on the subject. A large number of those words unfortunately have been untruthful and deceptive. The representatives of international communism have been talking peace and preparing for war.

It is significant that there is no Cuban delegation among us today. There is no Cuban parliament. It will be recalled that when Mr. Castro was embattled in the Sierra Maestra, he promised his people free elections. But once he came to power, it was a different story. Elections, he said, were not necessary. The will of the Cuban people and the spirit of their revolution, he said at one of his mass meetings, could be amply expressed without elections, through public assemblies such as he was then addressing. In any event, he added, popular support of him and his revolution was such that there was really nothing to have an election about.

Mr. Castro was well aware, of course, that a freely elected Congress would no doubt hinder his already well-advanced plans to deliver his long-suffering country into the hands of the international Communist movement.

That delivery has long since been completed, and Mr. Castro has publicly boasted of it.

So long as this was all, it was a tragedy for the Cuban people and a cause of concern to all free nations, especially in the Western Hemisphere, but it was not a threat to world peace.

But international communism was not content with enslaving the Cuban people. No. It wanted also to use their island as a base for furthering its aggressive intentions against the remaining free nations of the Western Hemisphere, including the United States.

While the spokesmen for international communism repeatedly proclaimed their purely defensive intentions, they were in fact hurriedly installing a capacity to deliver nuclear warheads to the north as far as Canada and to the south as far as Brazil. There is no doubt about this. My Government has incontrovertible proof. This is why the President of my country, as he himself explained so eloquently and forthrightly Monday night, has taken the measures of which we are all aware.

Now, we hear it said, Mr. President, that what the Soviet Union is doing in Cuba is no different from what the United States is doing in Turkey and in other free countries on the periphery of the Soviet bloc. This is silly. Let me, at this point read the pertinent portions of a couple of paragraphs from the President's speech of Monday night:

"For many years, both the Soviet Union and the United States have deployed strategic nuclear weapons with great care, never upsetting the precarious status quo which ensured that these weapons not be used in the absence of some vital challenge. Our own strategic missiles have never been transferred to the territory of any other nation under a cloak of secrecy and deception."

When, referring to the buildup in Cuba the President said,

"But this secret, swift and extraordinary buildup of Communist missiles—in an area

well known to have a special and historical relationship to the United States and the nations of the Western Hemisphere, in violation of Soviet assurances, and in defiance of American and hemispheric policy—this sudden clandestine decision to station strategic weapons for the first time outside of Soviet soil, is a deliberately provocative and unjustified change in the status quo which cannot be accepted by this country, if our courage and our commitments are ever to be trusted again by either friend or foe."

No, Mr. President, if a parallel exists at all, it is not between Cuba and Turkey but between Cuba and a member of the Warsaw Pact, for example Poland whose representative we heard earlier. If the Government of Poland were to undergo a change, and if Western nuclear missiles were to be installed on Polish territory, that would represent a change in the deployment of such weapons comparable to what has occurred in Cuba. It would, I think, be a provocative change, and it would obviously heighten world tensions.

But this is a far cry from what the United States and its allies have done in Turkey, which was never an ally of the Soviet Union, but which on the contrary is an ally—and a stanch one—of the United States. Furthermore, when Western missiles were installed in Turkey, and also in Italy, it was publicly announced as a decision taken by the North Atlantic Council.

Mr. President, let us hear no more of these fatuous comparisons which do not compare but serve only to confuse.

In conclusion, Mr. President, let me make these final points, briefly and clearly:

First, the United States has no quarrel with the people of Cuba. It has, on the contrary, the deepest sympathy for the agonies through which they are passing, and it looks forward to the day when they will once again take their rightful place in the family of free nations.

Second, the United States had no quarrel with the present Government of Cuba until it became clear beyond peradventure that this Government was betraying the promises of reform which bore it to power. Let it be recalled that when Mr. Castro first came to power in 1959, he was offered the hand of friendship and economic aid by the United States.

Third, the United States intends not only to protect its own vital interests but also to honor its international commitments, one of which is the commitment of hemispheric defense contained in the Rio Treaty of 1947. Only yesterday the action of the United States was approved by 19 nations of this hemisphere including Brazil.

Fourth, and finally—and let there be no mistake about this—the people of the United States and their elected representatives are united on this question.

There is no division among us, regardless of political party affiliation. Nor should there be any division among free nations.

Peace is not divisible. With respect to the present crisis in Cuba, or wherever a new threat to world peace may subsequently be presented, it is our earnest hope that all freedom loving nations will courageously stand together in defense of the fundamental principles of human rights.

Mr. STENNIS. Mr. President, I yield the floor.

DEATH OF JUDGE FRANK PICARD

Mr. HART. Mr. President, in the last few minutes I learned of the death in Michigan today of a Michigan citizen who over many years has contributed effectively to the strength and vitality of our community. I refer to the Honorable Frank Picard, who some years ago retired from the U.S. District Court for the Eastern District of Michigan after many years of effective service there.

Frank Picard first came to attention in Michigan as a baseball player. He reflected in his baseball career those attributes which later distinguished him as a trial lawyer, as a devoted Democrat, but a wholly responsible partisan. Additionally, and as suggestive of the uniqueness of the man, he and his brothers were celebrated high wire performers. Finally, even in the robe of a Federal judge, Frank Picard never lost that spark and quality which set him apart from most of us.

I have long known Judge Picard, but the day I was permitted to assume responsibility as U.S. attorney for eastern Michigan I came to know him more intimately. I should not want at this late moment to suggest that he was a Government judge. He was anything but that. As a matter of fact, I think everybody who went to court before him felt that he was the other fellow's judge. The truth of it is that he was his own judge, subject to his own conscience, which was a brilliantly perceptive one.

Judge Picard was honored by our party many years ago by its nomination of him to be a candidate for the U.S. Senate. Had he been successful in that campaign, there would be many Senators on the floor at this moment who would be expressing, as I now do, sorrow at news of his death.

There is no corner of life in Michigan that did not, at one time or another, feel the influence of this remarkable man. I can only add that I have hope his family will understand that, while he will be missed, his imprint on Michigan will never be forgotten so long as those books which record history are available.

ADJOURNMENT

Mr. HART. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn until noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 36 minutes p.m.) the Senate adjourned until tomorrow, Friday, March 1, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 28, 1963:

COMMUNICATIONS SATELLITE CORPORATION

The following-named persons to be incorporators of the Communications Satellite Corporation:

Leo D. Welch, of New York.
Joseph V. Charyk, of California.

CONFIRMATIONS

Executive nominations confirmed by the Senate, February 28, 1963:

GOVERNOR OF GUAM

Manuel F. L. Guerrero, of Guam, to be Governor of Guam for a term of 4 years.

U.S. MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade indicated:

To be major generals

Robert E. Cushman, Jr.
Richard G. Weede
Leonard F. Chapman, Jr.

To be brigadier generals

John C. Miller, Jr.
Louis B. Robertshaw
Rathvon McC. Tompkins
John H. Masters

U.S. NAVY

Rear Adm. Kleber S. Masterson, U.S. Navy, to be Chief of the Bureau of Naval Weapons in the Department of the Navy for a term of 4 years, to which office he was appointed during the last recess of the Senate.

The following-named officers of the Navy for permanent promotion to grade indicated:

LINE

To be rear admirals

Edwin S. Miller
Bernard M. Strean
Francis J. Blouin
Arthur R. Gralla
John J. Hyland
Henry L. Miller
John M. Lee
Robert E. McC. Ward
Rhodam Y. McElroy, Jr.
John O. Miner
Theodore A. Torgerson
Edward A. Ruckner
Odale D. Waters, Jr.
Harry L. Reiter, Jr.
Joseph C. Wylie, Jr.
Earl R. Eastwold
William A. Stuart
George R. Luker
William H. Groverman, Jr.
George W. Pressey
Francis E. Nuessle
Robert B. Moore
Magruder H. Tuttle
Harold G. Bowen, Jr.
Edgar H. Batcheller
William A. Brockett
Levering Smith
Edward J. Fahy

MEDICAL CORPS

To be rear admirals

Harold J. Cokley
Robert B. Brown

CIVIL ENGINEER CORPS

To be rear admiral

Lewis C. Coxe

DENTAL CORPS

To be rear admiral

Frank M. Kyes

Rear Adm. George C. Towner, U.S. Navy, to have the grade of vice admiral on the retired list, pursuant to title 10, United States Code, section 5233.

Having been designated, under the provisions of title 10, United States Code, section 5231, for commands and other duties determined by the President to be within the contemplation of said section, the following-named officer, for appointment to the grade indicated while so serving:

To be vice admiral

Rear Adm. Ephraim P. Holmes, U.S. Navy.

U.S. AIR FORCE

The following-named officers for appointment in the Air Force Reserve, to the grade indicated, under the provisions of chapter 35 and section 8373, title 10, of the United States Code:

To be brigadier generals

Col. Donald J. Campbell, AO726745, Air Force Reserve.

Col. Joseph J. Lingle, AO395663, Air Force Reserve.

Col. James H. McPartlin, AO438109, Air Force Reserve.

Col. Roger W. Smith, AO291671, Air Force Reserve.

Col. John A. Lang, Jr., AO569020, Air Force Reserve.

Col. Charles E. Heidingefelder, Jr., AO500072, Air Force Reserve.

The following-named officers for appointment in the Regular Air Force, to the grades indicated, under the provisions of chapter 835, title 10, of the United States Code:

To be major generals

Maj. Gen. James C. Jensen, 1042A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Von R. Shores, 1236A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Sam Maddux, Jr., 1561A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Glen R. Birchard, 1623A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. William K. Martin, 1697A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Henry Viccellio, 1728A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen John K. Hester, 1870A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles M. Eisenhart, 1957A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. George B. Dany, 1061A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Chester W. Cecil. 1298A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. John W. Carpenter III, 1647A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James B. Knapp, 1668A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Jack G. Merrell, 1687A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Marvin L. McNickle, 1721A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Arthur C. Agan, Jr., 1759A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Horace M. Wade, 1872A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Austin J. Russell, 1980A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert H. Warren, 1987A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Theodore R. Milton, 2026A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James W. Wilson, 1711A (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. John K. Cullen, 19068A (brigadier general, Regular Air Force, medical), U.S. Air Force.

To be brigadier generals

Brig. Gen. Kenneth R. Powell, 1614A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Loren G. McCollom, 1632A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William S. Radar, 1636A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Andrew J. Kinney, 1661A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard D. Curtin, 1666A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Thomas B. Whitehouse, 1677A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Milton B. Adams, 1712A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Frederic C. Gray, 1729A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William E. Elder, 1772A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Edgar W. Hampton, 1805A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert R. Rowland, 1806A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James B. Tipton, 1854A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William W. Veal, 1902A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Tarleton H. Watkins, 1910A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Eugene B. LeBailly, 1920A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles R. Bond, Jr., 1937A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Gilbert L. Meyers, 1958A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Alvan C. Gillem II, 2025A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Rollen H. Anthis, 2053A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Joseph A. Cunningham, 2054A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Horace A. Hanes, 2060A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John B. McPherson, 2068A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Carroll W. McColpin, 3514A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Oran O. Price, 3563A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Thomas K. McGehee, 3809A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Gerald F. Keeling, 3827A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Fred J. Ascani, 4036A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Gordon T. Gould, Jr., 4040A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John B. Henry, Jr., 4129A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert W. Burns, 4142A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John W. O'Neill, 4155A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard O. Hunziker, 4164A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Earl C. Hedlund, 4170A (colonel, Regular Air Force, U.S. Air Force.

Brig. Gen. Arthur G. Salisbury, 4224A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Winton R. Close, 4343A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Jamie Gough, 4511A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James C. Sherrill, 4910A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Abe J. Beck, 5831A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Gordon M. Graham, 7761A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Samuel C. Phillips, 8981A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Alonzo A. Towner, 19158A (colonel, Regular Air Force, Medical), U.S. Air Force.

Brig. Gen. Kenneth E. Pletcher, 19136A (colonel, Regular Air Force, Medical), U.S. Air Force.

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10, of the United States Code:

To be major generals

Brig. Gen. Robert S. Brua, 19063A, Regular Air Force, Medical.

Brig. Gen. Theodore C. Bedwell, Jr., 19101A, Regular Air Force, Medical.

Brig. Gen. Robert F. Worden, 1510A, Regular Air Force.

Brig. Gen. Edward G. Lansdale, 2534A, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Reginald J. Clizbe, 2004A, Regular Air Force.

Brig. Gen. Robert N. Smith, 3783A, Regular Air Force.

Brig. Gen. George S. Brown, 4090A, Regular Air Force.

Brig. Gen. John C. Meyer, 4496A, Regular Air Force.

Brig. Gen. Jack J. Catton, 4719A, Regular Air Force.

Brig. Gen. Andrew J. Kinney, 1661A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard D. Curtin, 1666A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James B. Tipton, 1854A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Eugene B. LeBailly, 1920A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles R. Bond, Jr., 1937A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Alvan C. Gillem II, 2025A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Rollen H. Anthis, 2053A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Joseph A. Cunningham, 2054A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Thomas K. McGehee, 3809A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John B. Henry, Jr., 4129A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Earl C. Hedlund, 4710A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Jamie Gough, 4511A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. J. Francis Taylor, Jr., 1583A (colonel, Regular Air Force), U.S. Air Force.

To be brigadier generals

Col. William F. Cook, 19117A, Regular Air Force, Medical.

Col. Emmett M. Tally, Jr., 1312A, Regular Air Force.

Col. John L. McCoy, 1705A, Regular Air Force.

Col. Eugene L. Strickland, 1856A, Regular Air Force.

Col. Robert L. Delashaw, 1913A, Regular Air Force.

Col. Richard S. Abbey, 1992A, Regular Air Force.

Col. Robert W. Strong, Jr., 2010A, Regular Air Force.

Col. Roy W. Nelson, Jr., 2016A, Regular Air Force.

Col. Glenn A. Kent, 3701A, Regular Air Force.

Col. John L. Zoeckler, 3724A, Regular Air Force.

Col. Woodrow P. Swancutt, 3729A, Regular Air Force.

Col. Wendell E. Carter, 3848A, Regular Air Force.

Col. Howard A. Davis, 3860A, Regular Air Force.

Col. Thomas G. Corbin, 4097A, Regular Air Force.

Col. William B. Martensen, 4113A, Regular Air Force.

Col. Fratis L. Duff, 19188A, Regular Air Force, Medical.

Col. Joseph S. Bleymaier, 3883A, Regular Air Force.

Col. Andrew J. Evans, Jr., 4072A, Regular Air Force.

Col. William A. Tope, 4287A, Regular Air Force.

Col. Harrison R. Thyng, 4414A, Regular Air Force.

Col. Olbert F. Lassiter, 4445A, Regular Air Force.

Col. Richard A. Yudkin, 4480A, Regular Air Force.

Col. Timothy F. O'Keefe, 4608A, Regular Air Force.

Col. Richard C. Neeley, 4609A, Regular Air Force.

Col. William H. Brandon, 4712A, Regular Air Force.

Col. Delmar L. Crowson, 4954A, Regular Air Force.

Col. Anthony T. Shtogren, 4956A, Regular Air Force.

Col. William C. Lindley, 4976A, Regular Air Force.

Col. Lawrence S. Lightner, 5219A, Regular Air Force.

Col. Archie A. Hoffman, 19222A, Regular Air Force, Medical.
Col. Clarence J. Galligan, 4772A, Regular Air Force.
Col. John L. Martin, Jr., 7556A, Regular Air Force.
Col. William D. Dunham, 8097A, Regular Air Force.
Col. Lawrence F. Tanberg, 8286A, Regular Air Force.
Col. Royal N. Baker, 8315A, Regular Air Force.
Col. Jewell C. Maxwell, 8393A, Regular Air Force.
Col. Chesley G. Peterson, 9383A, Regular Air Force.

U.S. ARMY

The following-named officers, under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant generals

Maj. Gen. William Henry Sterling Wright, O18129, U.S. Army.
Maj. Gen. Ben Harrell, O19276, Army of the United States (brigadier general, U.S. Army).

The following-named officers, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

To be lieutenant general

Maj. Gen. Alfred Dodd Starbird, O18961, Army of the United States (brigadier general, U.S. Army).

The Army National Guard of the United States officer named herein for promotion as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be brigadier general

Francis Stevens Greenlief, O1291268, Infantry.

The following-named officers, under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

To be lieutenant generals

Maj. Gen. Albert Watson II, O18105, U.S. Army.
Maj. Gen. Harvey Herman Fischer, O18832, U.S. Army.

The following-named officer to be placed on the retired list, in the grade indicated, under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Samuel Leslie Myers, O17180, Army of the United States (major general, U.S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grades as follows:

To be general

Lt. Gen. John Knight Waters, O18481, Army of the United States (major general, U.S. Army).

To be lieutenant generals

Maj. Gen. Theodore John Conway, O19015, U.S. Army.
Maj. Gen. Charles Granville Dodge, O18072, U.S. Army.

The following-named officers for appointment in the Regular Army of the United States, to the grades indicated, under the provisions of title 10, United States Code, sections 3284, 3072, 3306, and 3307:

To be major generals

Maj. Gen. George Robinson Mather, O18696, Army of the United States (brigadier general, U.S. Army).
Lt. Gen. Alfred Dodd Starbird, O18961, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. William Jonas Ely, O18974, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Harold Keith Johnson, O19187, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Ben Harrell, O19276, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Alden Kingsland Sibley, O18964, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Alvin Charles Welling, O18983, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. David Warren Gray, O18988, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. James Hilliard Polk, O19028, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Frederick Robert Zierath, O19211, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. William Beehler Bunker, O19402, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Berton Everett Spivy, Jr., O19479, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Robert George MacDonnell, O19361, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. Austin Wortham Betts, O19373, Army of the United States (brigadier general, U.S. Army).
Maj. Gen. William Hutcheson Craig, O19526, Army of the United States (brigadier general, U.S. Army).

To be major general, Medical Corps

Maj. Gen. Howard William Doan, O20057, Army of the United States (brigadier general, Medical Corps, U.S. Army).

To be brigadier general, Judge Advocate General's Corps

Col. Harry Jarvis Engel, O39840, Judge Advocate General's Corps, U.S. Army.

To be brigadier generals, Medical Corps

Brig. Gen. Henry Schuldt Murphey, O19338, Army of the United States (colonel, Medical Corps, U.S. Army).
Maj. Gen. Floyd Lawrence Wergeland, O19599, Army of the United States (colonel, Medical Corps, U.S. Army).

The officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, secs. 593(a) and 3384.

To be major generals

Brig. Gen. William Joseph Hixson, Jr., O302021.
Brig. Gen. Michael Bernard Kauffman, O364438.
Brig. Gen. Ernest Louis Massad O302186.
Brig. Gen. Raymond Forrest McNally, Jr., O294487.
Brig. Gen. John Chester Monning, O337254.
Brig. Gen. de Lesseps Story Morrison, O302989.
Brig. Gen. Robert Fulton Sikes, O291193.

To be brigadier generals

Col. Bodley Booker, Jr., O376560, Infantry.
Col. John Lewis Boros, O405754, Transportation Corps.
Col. Carl Leslie Burk, O410902, Infantry.
Col. Prentiss Courson, O1173570, Artillery.
Col. Rowland Falconer Kirks, O337691, civil affairs.
Col. William Percival Levine, O1055895, Artillery.
Col. John Francis Linehan, Jr., O1313261, Infantry.
Col. William Francis McGonagle, O325282, Artillery.
Col. Robert Roy Owen, O468688, Infantry.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. Claude Feemster Clayton, O322985.
Brig. Gen. Benjamin Franklin Merritt, O244836.
Brig. Gen. Cecil Lee Simmons, O360399.

To be brigadier generals

Col. David Combs Baum, O534933, Infantry.
Col. Robert Stickney Dale, O378584, Artillery.
Col. Charles Watts Fernald, O1287851, Infantry.
Col. Donald Nielsen Moore, O372591, Armor.
Col. Paul Joseph Mozzicato, O371323, Artillery.
Col. Louie Charles Wadsworth, O260016, Armor.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. George Oliver Pearson, O253334.

To be brigadier general

Col. Marshall Edgar Bush, O298635, Infantry.

IN THE AIR FORCE

The nominations beginning Raymond L. Abbott to be captain, and ending Robert L. Woodward to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 11, 1963.

The nominations beginning Gene W. Oehlman to be major, and ending David D. Thomssen to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 18, 1963.

IN THE ARMY

The nominations beginning Alfred Dodd Starbird to be lieutenant general, and ending Lloyd H. Yoshina to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 15, 1963.

The nominations beginning Harold R. Aaron to be lieutenant colonel, and ending Eddi Z. Zyko to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 25, 1963.

IN THE NAVY AND THE MARINE CORPS

The nominations beginning Robert A. Campbell to be colonel in the Marine Corps, and ending Ronald M. Zobenica to be second lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 5, 1963.

The nominations beginning Asher D. Abelon to be ensign in the Navy, and ending Walter F. Hudiburg, Jr., to be second lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 19, 1963.