provide for the sale of certain reserved mineral interests of the United States in certain real property owned by Jack D. Wishart and Juanita H. Wishart; with amendment (Rept. No. 181). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ANDERSON:

H.R. 5429. A bill to amend section 104(s) of Public Law 480, 83d Congress, as amended, to require that 5 percent of the foreign currencies hereafter acquired by the sale of U.S. surplus agricultural commodities be set aside for the sale of dollars to American tourists abroad; to the Committee on Agriculture.

By Mr. ASHLEY:

H.R. 5430. A bill to provide for the humane treatment of vertebrate animals used in experiments and tests by recipients of grants from the United States and by agencies and instrumentalities of the U.S. Government and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Florida:

H.R. 5431. A bill to amend title II of the Social Security Act to provide that the remarriage of a widow, or widower, or parent shall not prevent the payment of benefits if such remarriage is annulled; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 5432. A bill relating to the retirement of judges of the territorial district courts; to the Committee on the Judiciary.

H.R. 5433. A bill to extend the provisions of the act of October 11, 1949, 63 Stat. 759, ch. 672 (32 D.C.C. 417) to authorize the commitment of persons of unsound mind found on Federal reservations in Loudoun County, Va., to St. Elizabeths Hospital in the District of Columbia; to the Committee on the Judiciary.

H.R. 5434. A bill to consolidate the two judicial districts of the State of South Carolina into a single judicial district and to make suitable transitional provisions with respect thereto; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 5435. A bill to amend the Rural Electrification Act of 1936; to the Committee on Agriculture.

By Mr. FULTON of Tennessee:

H.R. 5436. A bill changing Memorial Day to the last Monday of May; to the Committee on the Judiciary.

H.R. 5437. A bill to amend the Administrative Procedure Act with respect to the compensation of hearing examiners and for other purposes; to the Committee on the Judiciary.

H.R. 5438. A bill to amend title 38, United States Code, to permit for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance; to the Committee on Veterans' Affairs.

By Mr. McDOWELL:

H.R. 5439. A bill to amend the Internal Revenue Code of 1954 to replace the existing retailers excise taxes on jewelry, furs, toilet preparations, and luggage, etc., with equivalent manufacturers excise taxes; to the Committee on Ways and Means.

By Mr. MORGAN:

H.R. 5440. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I and their widows and dependents; to the Committee on Veterans' Affairs.

By Mr. MULTER:

H.R. 5441. A bill to require an annual audit of each bank insured by the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

H.R. 5442. A bill to amend section 5155 of the Revised Statutes of the United States, relating to branches of national banks; to the Committee on Banking and Currency.

H.R. 5443. A bill to require that 90 percent of the net earnings of Federal Reserve banks be paid into the Treasury, and that the financial transactions of the Board of Governors of the Federal Reserve System and the Federal Reserve banks be audited by the General Accounting Office; to the Committee on Banking and Currency.

By Mr. MURPHY of New York:

H.R. 5444. A bill to authorize the Secretary of Commerce to conduct research and development of precision equipment and systems for utilizing radio signals from space satellites to improve navigation of nonmilitary vessels at sea; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIAMS:

H.R. 5445. A bill to amend the Interstate Commerce Act to permit freight forwarders to acquire other carriers subject to such act, to place such transactions under the provisions of section 5 of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDREWS:

H.J. Res. 370. Joint resolution proposing an amendment to the Constitution of the United States relating to the establishment of a Court of the Union, which shall review the exercise of power or jurisdiction by the Supreme Court in certain cases upon demand of the legislatures of five noncontiguous States; to the Committee on the Judiciary.

By Mr. SELDEN:

H.J. Res. 371. Joint resolution proposing an amendment to the Constitution of the United States relating to the establishment of a Court of the Union, which shall review the exercise of power or jurisdiction by the Supreme Court in certain cases upon demand of the legislatures of five noncontiguous States; to the Committee on the Judiciary.

By Mr. BURKE:

H. Con. Res. 128. Concurrent resolution requesting the President to present before the United Nations the question of the enslavement of Lithuania, Latvia, and Estonia with a view to obtaining their independence and the return of their peoples; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HARRISON: Joint memorial of the House of Representatives, 37th State Legislature of the State of Wyoming, memorializing the U.S. Congress to oppose Federal legislation which would encroach on State-administered workmen's compensation programs; to the Committee on Ways and Means.

By Mr. JONES of Alabama: Senate Resolution No. 3, of the Legislature of the State of Alabama, commending Secretary of Agriculture Orville L. Freeman and all members of the Alabama congressional delegation for their concern for the cotton economy of Alabama by endorsing the 1963 cotton price support program and making recommendations toward ending the inequities of the two-price structure on cotton; to the Committee on Agriculture.

Also, House Joint Resolution No. 13, of the State of Alabama House of Representatives, petitioning the Congress of the United States to call a convention to consider an amendment to the U.S. Constitution to establish a Court of the Union, which would sit upon demand of five States, not having any common boundary, the proposed court's sole function being the determination of whether power exercised by the United States is granted to it under the Constitution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BELL:

H.R. 5446. A bill for the relief of Brian Richard Davis; to the Committee on the Judiciary.

By Mr. BURKHALTER:

H.R. 5447. A bill for the relief of Robert L. Wiswell, E. G. Haberman, Willard S. Bacon, and Robert L. Geisler; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 5448. A bill for the relief of Maria Josefa Pariente; to the Committee on the Judiciary.

H.R. 5449. A bill for the relief of Halina J. Admaska; to the Committee on the Judiciary.

H.R. 5450. A bill for the relif of Evadna Lai; to the Committee on the Judiciary.

By Mr. HARRISON:

H.R. 5451. A bill for the relief of the E.L.K. Oil Co.; to the Committee on Interior and Insular Affairs.

By Mr. RIEHLMAN:

H.R. 5452. A bill for the relief of Vittoria Italia William and Mario Alfanso Felice William; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 5453. A bill for the relief of Mrs. Denise Jeanne Escobar (nee Arnoux); to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H.J. Res. 372. Joint resolution to authorize the appointment of General of the Army Douglas MacArthur as General of the Armies of the United States; to the Committee on Armed Services.

PETITIONS, ETC.

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

80. By the SPEAKER: Petition of R. E. Bream and others, Pittsburgh, Pa. Petitioning consideration of their resolution with reference to taking whatever steps are necessary to withdraw from the United Nations for 24 important reasons set forth in their petition; to the Committee on Foreign Affairs.

81. Also, petition of Fred Chiles and others, St. Louis, Mo., petitioning consideration of their resolution with reference to requesting the impeachment of Chief Justice Warren and others in the Supreme Court for a recent decision in outlawing the name of "God" in public institutions; to the Committee on the Judiciary.

SENATE

WEDNESDAY, APRIL 3, 1963

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

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

Eternal Father, in these awakening days of leaf and bud and flower, thrilling and throbbing with the vernal loveliness of April, we thank Thee for every sacrament of beauty of which our enraptured senses drink as we bend in

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wonder to the petaled cups held up by bushes aflame with Thee.

May the new glory of the arousing earth be but a parable of the things that are excellent, blooming in our risen lives as by the alchemy of Thy grace they become the gardens of the Lord.

Steady us, we pray, with the realization that beneath all the ugliness which hides the truth and beneath all the dark tragedy now plaguing the world, which could be so fair, there is the permanent good of Thy redemptive purpose for all mankind, to which we must be loyal if, at last, life is to be saved from frustration.

Whatever the future holds, may we face it calmly and in confidence, with the assurance that there lives the beauty that man cannot kill. May we hold that faith, and hold it fast. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 2, 1963, was dispensed with.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

The VICE PRESIDENT. Under the order of yesterday, the question is on agreeing to the amendment proposed on yesterday by the Senator from Texas [Mr. TOWER] to the so-called Magnuson substitute for Senate bill 6, the Urban Transportation Act of 1963, beginning on page 26, in line 17, after the word "rights", to insert "to the extent not inconsistent with State or local law."

On the question of agreeing to this amendment, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. MANSFIELD. Mr. President, if it is in order, I now ask unanimous consent, despite the agreement of yesterday, that I be allowed to suggest the absence of a quorum, and that the roll be called in that connection, with the rollcall to be concluded at the end of 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The VICE PRESIDENT. Under the unanimous-consent agreement, the quorum call will now be terminated.

Under the order entered yesterday, the question now is on agreeing to the amendment of the Senator from Texas [Mr. TOWER] to the so-called Magnuson substitute for Senate bill 6, on page 26, in line 17, to insert, after "rights", the words "to the extent not inconsistent with State or local law."

The yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Utah [Mr. MOSS] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

Mr. KUCHEL. I announce that the Senator from Iowa [Mr. HICKENLOOPER] is absent on official business.

The result was announced—yeas 41, nays 56, as follows:

[No. 30 Leg.]

YEAS—41

Allott	Hill	Pearson
Bennett	Holland	Prouty
Byrd, Va.	Hruska	Robertson
Carlson	Jordan, N.C.	Russell
Cotton	Jordan, Idaho	Saltonstall
Curtis	Lausche	Simpson
Dirksen	Long, La.	Sparkman
Dominick	McClellan	Stennis
Eastland	McIntyre	Talmadge
Ellender	Mechem	Thurmond
Ervin	Miller	Tower
Fulbright	Monroney	Williams, Del.
Goldwater	Morton	Young, N. Dak.
Hayden	Mundt	

NAYS—56

Aiken	Fong	McGovern
Anderson	Gore	McNamara
Bartlett	Gruening	Metcalf
Bayh	Hart	Morse
Beall	Hartke	Muskie
Bible	Humphrey	Nelson
Boggs	Inouye	Neuberger
Brewster	Jackson	Pastore
Burdick	Javits	Pell
Byrd, W. Va.	Johnston	Proxmire
Cannon	Keating	Randolph
Case	Kefauver	Ribicoff
Church	Kennedy	Scott
Clark	Kuchel	Smith
Cooper	Long, Mo.	Symington
Dodd	Magnuson	Williams, N.J.
Douglas	Mansfield	Yarborough
Edmondson	McCarthy	Young, Ohio
Engle	McGee	

NOT VOTING—3

Hickenlooper	Moss	Smathers

So Mr. TOWER's amendment was rejected.

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

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

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

REQUESTS FOR COMMITTEE MEETINGS DURING SENATE SESSION

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations be permitted to meet today during the session of the Senate.

The VICE PRESIDENT. Is there objection to the request by the Senator from Arkansas?

Mr. DIRKSEN. Mr. President, reserving the right to object, I believe there are presently pending about six requests for committee meetings today. I have received several objections to some committee meetings. In consequence, I cannot make fish of one and fowl of another; and therefore I am constrained to object.

Mr. MANSFIELD obtained the floor.

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

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. I merely wish to make the observation that this committee is working hard and diligently on a most serious undertaking, with a most serious responsibility. The request has been made to expedite the committee's work. The committee is attempting to expedite its work. Under the circumstances, we shall have no alternative except to obey the declination of the Senate to grant us our request to proceed. We inevitably, I assume, and unavoidably, will be delayed with respect to progress we had hoped to make.

Mr. DIRKSEN. Mr. President——

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I think the same observation can be made with respect to the work of the entire Senate. The Senate is being taken to task editorially for the slowness of the Senate and the failure to accomplish something. That can be done only if Senators are in the Chamber. In consequence, I am distressed about it, but I must object.

The VICE PRESIDENT. Objection is heard.

Mr. MANSFIELD. Mr. President, I feel that, despite the objection which has been made by the distinguished minority leader to the request made by the distinguished chairman of the Committee on Government Operations, I must, perforce, ask unanimous consent that the following subcommittees be permitted to meet during the session of the Senate today:

The Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, to hold hearings on the insurance industry.

The Subcommittees on Labor and Veterans' Affairs of the Committee on Labor and Public Welfare.

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

The Business and Commerce Subcommittee of the Committee on the District of Columbia.

The Subcommittee on Public Lands of the Committee on Interior and Insular Affairs.

Mr. DIRKSEN. Mr. President, I must object to every request.

The VICE PRESIDENT. Objection is heard.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. MANSFIELD. Mr. President, I should like to have the attention of Senators.

A number of Senators—proud fathers, may I say, in most instances—find that duties appropriate to the season will necessitate their absence from the Chamber this morning. At the same time, they are anxious to make progress on the pending bill.

Therefore, it seems wise to the leadership to proceed with debate on amendments to the bill, while postponing rollcall votes until later in the day.

Therefore, with the concurrence of my distinguished colleague, the minority leader, I ask unanimous consent that any rollcall votes which may be ordered on amendments be postponed until not earlier than 2 o'clock, with the understanding that debate on the amendments may proceed from now until that time.

The VICE PRESIDENT. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. SYMINGTON. Mr. President—

The VICE PRESIDENT. The Senator from Missouri is recognized.

Mr. SYMINGTON. Mr. President, may I ask my friend, the distinguished minority leader, in what way it would hurt the Senate if the Committee on Government Operations, now working on a matter I know we all want to see expedited, should meet this morning? Senators could come to the Chamber to vote after the bells ring and when the votes were taken.

Mr. DIRKSEN. Mr. President, how could I very well concur in that request and then say "No" to the Senator from Connecticut [Mr. DODD] with respect to the Antitrust and Monopoly Subcommittee hearing; to the Senator from Nevada [Mr. BIBLE] with respect to the Subcommittee on Public Lands; and to the interested Senators with respect to the Subcommittee on Business and Commerce of the Committee on the District of Columbia and other subcommittees?

The VICE PRESIDENT. The Senate will be in order. The Senator will suspend until the Senate is in order.

The Senator from Montana yields 3 minutes from the time on the bill to the Senator from Missouri.

Mr. MANSFIELD. Mr. President, I understand that the Senator from Alabama [Mr. SPARKMAN], who is in charge of the bill, yields 3 minutes to the Senator from Missouri.

Mr. DIRKSEN. Mr. President, to conclude the observation, I cannot very well object in behalf of Senators who register objection with me as to some committees and subcommittees, and let other committees and subcommittees meet.

Mr. SYMINGTON. Mr. President, as the work of the Senate builds up, does the able minority leader believe we shall not be allowed to have committee hearings at the same time the Senate is meeting at an hour earlier than noon. If this is going to be the practice it will create grave problems for Senators as to scheduling of their time. I do not see how we can do committee work and Senate work at the same time under such a policy.

Mr. DIRKSEN. Mr. President, I do not generalize the matter. We are trying to complete consideration of the pending bill today. I think it can be completed today. I am not going to subject Senators to having to trot back and forth from the Chamber to the New Senate Office Building and to the Old Senate Office Building on rollcall votes, and that sort of thing. In addition, Senators do wish to be present, I am sure, to hear some of the discussion on the bill.

Mr. SYMINGTON. I thank the minority leader.

Mr. DIRKSEN. The amendments are to be disposed of today. I think it is in the interest of the committees and in the interest of the Senate that they be disposed of. If, for any reason, the majority leader feels the Senate can go over a day, Senators will have an entire day in which to catch up.

Mr. SYMINGTON. I thank the minority leader.

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

Mr. SYMINGTON. I yield.

Mr. MANSFIELD. This is an unusual circumstance, as the Senator understands. He knows it is not normal policy for the Senate to operate on this basis, except in an unusual situation.

Mr. SYMINGTON. I say, with great respect to the majority leader, that I have known of many cases in recent years when it became the practice, for various reasons, for one or more Senators not to want committee meetings when the Senate was in session. It seems to me we get hoisted by our own petard under such procedure, if the premise is we want to expedite the business of the Senate.

The first year I was in the Senate, 1953, we voted some 10 times in one afternoon on the tidelands oil bill, walking over from committee to vote. It seems to me that this action, especially when we have a matter as important as that currently before the Government Operations Committee, means we are all cooperating to hinder the work of the Senate. I say this with great respect to the majority leader and the minority leader; but that is the way I feel about it.

Mr. MANSFIELD. The Senator has a point there. It happens now and then, but it is not the normal procedure most of the time. I point out further that any Senator can at any time object to any regular committee meeting during the session of the Senate, except, I believe, the Appropriations Committee.

The VICE PRESIDENT. The time of the Senator from Missouri has expired.

Mr. CLARK. Mr. President, I ask unanimous consent that the Senator from Missouri may have 1 more minute.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield, and if so, to whom?

Mr. SPARKMAN. I yield 1 minute to the Senator from Missouri.

Mr. CLARK. I ask my friend the Senator from Missouri whether the colloquy we have just had does not convince him, as it has convinced me again, that we had better change the Senate rule which permits one Senator to prohibit committees from meeting when the Senate is in session, if we are to proceed with the pending measure and other business of the Senate.

Mr. SYMINGTON. I do not want to commit myself by a general statement on the rules this morning, but, under the circumstances now existing, especially inasmuch as the primary reason for pushing this bill through today was that certain Senators had dates out of town, I feel we are all cooperating in hindering the work of the Senate by not allowing committees to meet. That is my point.

Mr. LAUSCHE. Mr. President, may I have 1 minute?

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Alabama yield, and if so, to whom?

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

Mr. SPARKMAN. I yield to the majority leader.

Mr. MANSFIELD. Is there an amendment at the desk? I believe the Senator from Colorado has an amendment at the desk, and I think it ought to be brought up and stated.

Mr. DOMINICK. Mr. President, I have an amendment at the desk numbered 29.

The VICE PRESIDENT. The amendment of the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. It is proposed to amend section 13, subsection (c), on page 17, as follows:

Starting with the word "Thereafter" on line 13, page 17, strike all through line 21, page 17.

Mr. DOMINICK obtained the floor.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Colorado yield, and if so, to whom?

Mr. DOMINICK. I yield to the Senator from Illinois.

The VICE PRESIDENT. How much time?

Mr. DIRKSEN. Just 30 seconds.

Mr. DOMINICK. Thirty seconds.

Mr. DIRKSEN. Mr. President, if the Senate will be in order, I would like to clarify my position.

The VICE PRESIDENT. The Senator will suspend until the Senate is in order. Time will not run until the Senate is in order. Senators who desire to converse will please retire to the cloak rooms.

The Senator from Illinois is recognized for 30 seconds.

Mr. DIRKSEN. Mr. President, the Senate rules provide that any Senator can object to a committee meeting while the Senate is in session. If this body wants to change the rules, that is perfectly all right with me. I am entirely within the rules, and when Members on this side file objections, I shall honor the objections and assert them on the Senate floor. It is that simple.

The VICE PRESIDENT. The 30 seconds yielded to the Senator from Illinois have expired.

THE MYTHOLOGY OF NUCLEAR DISARMAMENT—LECTURE BY DAVID E. LILIENTHAL

Mr. DOMINICK. Mr. President, I yield to the Senator from Washington [Mr. JACKSON] for 30 seconds.

Mr. JACKSON. Mr. President, I have read with great interest a lecture

by David E. Lilienthal on "The Mythology of Nuclear Disarmament." The author, who was the first Chairman of the Atomic Energy Commission and formerly Chairman of the Tennessee Valley Authority, is now chairman of the board, Development & Resources Corp., New York City. I commend this lecture to all my colleagues as a realistic analysis and major contribution to the discussion of current arms control and disarmament issues.

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

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

THE MYTHOLOGY OF NUCLEAR DISARMAMENT

(By David E. Lilienthal)

Spring comes early in Washington. The 15th of February in 1950 was a warm, shirtsleeve day; the green that touched the willow trees told you spring had come. I walked out of my office, the office of the Chairman of the Atomic Energy Commission, down the marble stairs, handed my security badge to the officer at the door for the last time, and went out into the late afternoon sunshine. For the first time in years, the atom was off my shoulders. I said to myself: "Now I've left the atom behind, for someone else to worry about."

But I soon found that I couldn't leave the atom behind; the atom stayed right with me. It is a part of my life, as a private individual, as it is part of your life, of everyone else's life.

And so, in these lectures—a kind of "atom revisited"—I shall try to look at the atom as a part, an integral part, of the life of men on earth today.

To examine the place of the atom as a part of the way men order their lives in the world of 1963 we need first of all to take a broad look at what is bigger than the atom and of which the atom is an important part, but only a part: the world we live in today, the world of men and nations of 1963.

What kind of a world is it, this world of 1963?

Certainly it is a world of swift, radical change—change at an unprecedented tempo. It is a world of creativity, of new ideas, new ambitions, new projects, new cruelties, and new compassion; a world where outworn ideas are being discarded. A world in transformation. It is a world of men who are uniting, quarreling, fighting, rebelling, building, but constantly on the move toward something different. A world that is fluid and exciting. Of evil and violence there is plenty; of standing still there is little. Movement and change of a scale and intensity never before known are the keynote of the world of 1963.

I have seen or sensed these changes out of my personal observation and experience, as each of you have out of yours. Since the day 13 years ago that I once again became a private citizen I have observed or been a part of change in the course of my work. In Latin America and Asia I have seen evidence of perhaps the greatest migration of human beings in history, the tidal movement from the land to the cities. I have seen the ancient power of the great landlords weakened beyond restoration in the south of Italy, in many parts of Asia and South America. I have seen vast physical changes, ancient deserts made green, great rivers put in harness, mountains moved. I have seen Africans, now rulers of tiny new republics, feted and honored by General de Gaulle in Paris and the President in Washington, not as wards but as equals, as heads of state. As a layman I have caught the excitement in the community of scientists of new concepts and discoveries in physics, in biology, in medicine, in mathematics. And in the area of political alinements, tremendous change. The little island of Cuba a threat to the Western Hemisphere. Stalin gone. India freed of Britain, her freedom now endangered not by Britain but by her ancient brothers, other Asians. Most impressive and far-reaching of all changes, within hardly more than a decade you and I have witnessed the building of a European community, and despite all setbacks we have seen the evidence of growing awareness of interdependence among the peoples of the world.

And yet, over this picture of a world in motion, confident, restless, there hangs the dark cloud of the atom; what the President has called the "nuclear sword of Damocles."

This part of the world of today—the atom—is what most troubles men's minds. It is this part of the world of 1963 I propose to discuss first in these lectures, but in the context of a world in motion.

Everyone recognizes what a terrible disaster the use of nuclear weapons can bring to the whole world. Here there are no important differences of opinion. The area of difference of opinion lies in answers to the question: What can be done about this threat of disaster, and how?

There are at least three different points of view among us:

First, there are those who find that the answer lies in the question itself: First we get rid of the weapons. Universal disarmament, not unilaterally but by the process of negotiated treaty with the Soviet Union, is a life-and-death imperative. Press the negotiations at Geneva as a primary and urgent and overriding objective. We are told on high authority that disarmament is "the most seriously pressed proposal for the achievement of peace"; our President has admonished the world that, "The weapons of war must be abolished before they abolish us."

The classic pronouncement of the view of the primacy of disarmament is that of an eminent man of letters, a scientist and expositor of science as a culture, Sir Charles Snow. In an address to the American Association for the Advancement of Science on December 27, 1960, Sir Charles said: "We are faced with an 'either-or' and we haven't much time. Either we accept a restriction of nuclear armaments," and he adds that such a course involves risks, "or the nuclear arms race between the United States and the U.S.S.R. not only continues but accelerates * * * within at the most 10 years, some of these bombs are going off * * * on the one side, therefore, we have a finite risk. On the other side we have a certainty of disaster. Between a risk and a certainty, a sane man does not hesitate. It is the plain duty of scientists to explain this 'either-or.' It is a duty which seems to me to come from the moral nature of the scientific activity itself."

With Sir Charles' concept of absolutes in human affairs—"either-or"—I profoundly disagree. In these lectures I shall seek to make plain some of the reasons, both philosophical and practical, why I disagree with such an "either-or" approach. Great as are the hazards of nuclear weapons, I do not believe this fact can materially alter the way by which from time immemorial mankind has confronted and adjusted to change.

Second, the second course to avoid nuclear disaster embraced by many can be summarized in this way: Give the negotiation of a disarmament agreement the top priority, even while recognizing that the prospects of complete agreement immediately are not bright. But concurrently seek other ways as well by which tensions and animosities between the great powers can be reduced and relieved.

This is far from an unreasonable view, but it is not one which I can share. In my opinion this course does not give proper weight to the dangers to peace that lie in the very process of negotiating disarmament, in the present state of animosity between the great powers. Moreover, this course, I fear, does not adequately recognize that such a preoccupation with disarmament distracts and dilutes our faith, our energies, and our spiritual and physical resources in pursuing other more hopeful and realistic roads toward peace, outside the area of disarmament.

I ask you to consider with me still another concept, one that represents my own conviction, reached after a painful reassessment of my earlier views of the road to peace in an age of nuclear weapons.

My view of the best course is founded on my belief that in human affairs the only thing that is inevitable is change: that there is no single great dramatic step, neither disarmament nor sole and increased reliance on weapons, that will or can solve the problem of nuclear weapons. I find the great hope for peace to lie not in a single panacea but in diversity, in pursuing the ends of peace in thousands of areas of human life, a theme upon which I shall enlarge in my second lecture.

Tonight I invite you to consider with me the hazards to the very peace we seek that lie in the disarmament negotiating process under present conditions.

I believe it to be fundamental that it is the causes of war that must first be ameliorated before we can safely make progress toward eliminating or even limiting substantially these terrible weapons of war. The reason nuclear weapons are a threat to the world lies not primarily in the inanimate weapons themselves, but in the animosities, the suspicions, the conflicting drives and ambitions and ideologies of the nations who possess the weapons: that while the very existence of such awesome weapons increases tensions, it is more than futile, I believe it is courting disaster to negotiate for general disarmament in the present atmosphere of distrust and hatred.

With this as a summary of what I ask you to consider, let me proceed to an outline of the thesis upon which my views rest.

Atomic energy was the creative product of many different kinds of specialized knowledge. This achievement represents a very high order of imagination and creativity indeed. But this achievement is also a high point in the fragmentation of knowledge and of responsibility for knowledge. So complex an achievement as atomic energy, with so many ramifications, coming so suddenly, required a high degree of compartmentalization. The scientific, the technological, the military, the diplomatic, the political—even the grave ethical implications were customarily often dealt with as a separate kind of expertise. The technicians and experts and specialists took over the atom. They took it over in pieces, not as a whole. To this day no one has ever been able—or tried very hard, I think—to put the pieces together in an overall way. There has been too little effort to understand the whole, to see the whole, meaning, the values involved, and their place in our scheme of values. The preoccupation has been with bits and pieces. In such a circumstance the alienation from the fabric of the rest of life today was inevitable. That alienation now is almost complete.

The place of the atom in the life of the world cannot be understood, much less dealt with creatively in its military as well as its nonmilitary aspects so long as we continue to think of it as the exclusive domain of the experts, fragmented and compartmentalized into a score or more fields of expertise.

The theme of what I shall say throughout these lectures then is this: that a basis for understanding atomic energy in the life of mankind is not the mastery of physics or abstract mathematics or diplomacy or mili-

tary science or the exotic nuances of some of the disarmament expertise. To understand the atom we must reassert what through the ages wise men have come painfully to know of the condition of men in a changing world, how human affairs are conducted—and misconducted.

The majestic scientific discoveries that—in a kind of shorthand—I have simply called the atom have not changed the inner springs of man's life. Man's emotions, his fears, his hopes, his motivations, good and evil—these basics of the very nature of man himself are still decisive in the shaping of events growing out of the atom, as they continue to be in the rest of that world we live in, of which, sooner or later, we must come to see the atom is an integral part.

Man is not obsolete. Neither the atom nor any other scientific or military or diplomatic development can make him obsolete. Man is the center, the motive force, as he was before the atomic revelations, as he will be when we get the atom fitted into the ways of men and nations, making the worst or the most of the miracle of life itself.

We must apply to our fears and hopes and plans and policies about the atom what we have learned over the centuries about the affairs of man. The recesses of man's heart, his passions, his emotions, ugly and mean, sublime and noble, are the source and the driving force of all change: physical changes such as the blooming of the once-arid Persian Desert; political changes, such as that now sweeping a uniting Europe, or the revolution moving across the landlord-dominated countries; cultural changes that are permeating our own society and that of the Soviet Union. The decisive "winds of change" have their origins in the emotions and inner drives of men.

Boundless change, individual restlessness and movement and creativity, the surge of new ideas and new energies—this then is the picture of the world of 1963. Yet in that part of the world scene which we call the atom the dominant mood is not of daring, not affirmation, not change and challenge. The dominant mood is negative: fear, anxiety, a monumental sense of frustration in which the hope is a negative static one, a hope of sheer survival.

The reason I have made a point of stressing what we all know, namely, that man is the source of change is this: many people act as if the ordinary rules of life can be suspended as far as the atom is concerned, as if the problem—the overriding problem—of the atom can somehow be dealt with on a basis contrary to other human experience—in short, the short-cut "either-or" approach, which we would reject as unrealistic in any other area of human affairs, somehow can be made to apply with success to the atom.

In effect, haven't we given the atom a separate status—or, rather, tried to? We have placed the atom outside of the current of human affairs. Is it any wonder, then, that we have been frustrated? Is it any wonder, then, that the current of change and movement which you and I have seen transforming all other human affairs has seemed not to have touched the atom at all?

With the atom, time is suspended. The bombs have grown bigger and far more numerous, and the daily confrontation of antagonist nuclear forces therefore more terrifying. But I do not see that there has been any essential change in thinking about the atom since the end of World War II—change of the kind that—for good or bad—has revolutionized so many other areas of human activity.

First we had the bomb, and then—rather quickly—the Russians had it, too. And so we produced a superbomb, a thermonuclear bomb: the Russians were not slow to respond with their own superbombs. As E. B. White, our greatest essayist, puts it: "Bomb begets bomb. A begets H. Anything you can build I can build bigger." And so the story has gone.

The story of nuclear weapons is not one of change in a world of change, but essentially one of repetition—a circle in which we and the Russians have gone round and round, chasing each other's tails, year after year after year. This is the source of our despair, of our frustration, of our fear. We seem to remain locked in the same cell of circumstance—the Russians and ourselves together—with only a remote hope of emerging ever.

Now, of course, I do not pretend to have any final answers or solutions to the terrible frustrating question that the explosive atom poses for all civilization. Indeed, I do not believe that there are any such satisfying and complete answers. What I am going to try to do in these discussions, essentially, is to suggest that there is hope—but we have been looking for it in the wrong places.

I propose with you to examine our basic outlook and policies, and if we find we are clinging to what is irrelevant in 1963—in short, rubbish of another time and world—I say we should face up to that fact. A new approach, a new perspective fitted to the world as it is, is sorely needed. And one of the first steps, surely, toward such a new outlook is for the world to begin to own up to its failures, to jettison its outmoded ideas.

As to most of our atomic ideas, inherited almost intact and unchanged from another epoch, the words of President Kennedy at Yale last spring have a terrible relevance: "Mythology distracts us everywhere * * * we must move on," he said—about economics, but with even greater pertinence to our outlook on the atom. "We must move on from the reassuring repetition of stale phrases to a new, difficult but essential confrontation with reality."

Let us then try to confront the realities of the atom. Let us question our basic assumptions about nuclear weapons and peace.

In such confrontation we shall find, as I shall seek to show later, that a whole series of the basic premises that only a few years ago were considered beyond challenge or question have already been abandoned; that they are now part of the mythology of the atom which only serves to distract us from the realities. I propose that we also examine and challenge our current assumptions and premises, to see if some of them, too, should not be relegated to the limbo of outmoded or unsound ideas.

Now is the time—perhaps the first time for more than a decade—when it is possible to undertake such a reexamination in an atmosphere in which fundamental questions can be asked with a fair chance that they will be treated with an open mind. Why do I say this? Because the cocksureness has gone out of most of us. Our mounting frustration with the course we have taken and the assumptions on which it is based makes us now ready, even eager to reconsider and think afresh. Whether this may not also be true of the Russian leaders I have of course no way of knowing, but it is always a possibility.

The basic atomic weapons policy of the United States almost from the beginning days of Hiroshima has been based upon a fundamental but quite understandable misapprehension.

What is the essence of this great misapprehension? It is this: that because the Atom is such a uniquely powerful force for destruction, a revolutionary kind of destructive power, that in dealing with it we must divorce it, set it apart from everything the human race had previously learned about man's behavior, about war and peace, about our institutions, about foreign policy, about military matters, about science. This simply isn't so. Bit by bit, and case by case, as I shall remind you later in these lectures, we have already learned, the hard way, that it isn't so. But being misled by this belief in the special status of the powerful Atom we have increasingly brought upon ourselves frustration after frustration.

Why did this misapprehension take so firm a hold of us? Perhaps it was the dramatic, destructive, sudden way in which we first learned of this new force. We know that the more gradual advent of electricity revolutionized our entire way of life; that the automotive engine has brought a revolution in our way of living; that the electron revolutionized our whole scheme of communication, and with it our culture. And yet in these and similar cases these new discoveries were not divorced from all previous experience. They were somehow adapted and incorporated into the whole fabric of the life of man. Not so the atom.

The fantastic destructive power of the atom is a reality. The conclusions drawn from this fact are myths.

Those myths are still at the foundation of our policies and our outlook.

It is time to challenge our basic premises and the corollaries which flow from them. I want specifically to challenge the premise which has become common to our policy of the ways to avoid and avert nuclear war.

I would state that underlying policy in this way: That the chief and indeed the only solution to the problems raised by nuclear weapons lies within the field of nuclear weapons.

How badly this has worked out we know only too well. First we placed our faith in our U.S. monopoly of the A-bomb.

Then, when the monopoly vanished—and vanish it did all too soon—and the hope of international control became ever more remote, we still put our faith in bombs, but they had to be bigger and bigger: the H-bomb. Then this reliance upon even bigger bombs failed us when the Russians duplicated our H-bombs. Weapons proved a source of frustration, not an answer, a stopgap, perhaps, but not the once fervently embraced "solution" of an American pax atomica.

All these positions, I think, had essentially the same foundation—a preoccupation with atomic weapons themselves as the key to world peace, to world government, to the containment of communism, or to the maintenance, if not of peace, or peace of mind, to a kind of world stability.

Let us take a look at our present policies. They are also founded on that same major premise: That the primary answer to the dangers of nuclear warfare are to be found almost exclusively within the area of nuclear weapons.

The first of these current premises is this: We must maintain a powerful nuclear force; this should be combined with a strengthening of overall conventional military forces, but with the predominant emphasis by all odds upon nuclear weapons. This includes weapons in large numbers, and of very great power (although here the H-bomb euphoria of 1950 about the virtues of increasing the destructive power of individual weapons seems to be declining). It now certainly emphasizes delivery systems capable of putting these weapons on targets and keeping them as nearly invulnerable to enemy attack as possible.

A nuclear shield does not by any manner of means provide a complete answer, for security or peace. But it is the only military alternative that, at the present, is open to us.

Our present thinking lays great stress on the idea of mutual deterrent; that is, that peace can be kept by nuclear weapons where each of the antagonists is strong enough in these weapons to destroy the other. To put it more explicitly, the argument is that nuclear weapons are a step toward peace if the United States and the Soviet Union are

both so strongly armed that it is too hazardous to their objectives for either side to make use of them. Under this doctrine neither antagonist can allow the other to outdistance him in nuclear weapons; otherwise the deterrent or stalemate may not be effective.

There would seem to be something of an anomaly here; namely, that vast effort should be put into the development and production of weapons so powerful that they can never be used. Anomalous or not, I myself see no present alternative to maintaining our nuclear shield. In any case the premise of building up nuclear arms so great as to be unusable as an instrument for the waging of war is basic in the West, and it would appear one equally firmly held by the Soviet Union.

Here again the premise is that we avoid nuclear war by what we do with nuclear weapons.

The second basic premise upon which we now erect our hopes for peace moves in what would appear to be the opposite direction, though paradoxically parallel and concurrent to the first premise or policy. It too is preoccupied and centered upon nuclear weapons.

The best hope, so this premise states, of preventing worldwide nuclear war is by putting an end to the arms competition, through a negotiated program of disarmament with the U.S.S.R. The current proposals by both the United States and the Soviet Union have been couched in language of a program of general and total disarmament, but the crucial phase deals with nuclear weapons.

Eliminating nuclear weapons and the means to carry them is now held out as the great last chance.

Giving higher priority to disarmament through negotiation rather than priority to the diverse multiple means of ameliorating the causes of distrust and animosity is a doctrine that I feel is not only quite unrealistic but dangerous to the goals disarmament negotiations seek to reach. It is a doctrine that rests upon the mistaken premise of the isolation of the explosive atom from the rest of human affairs, its elevation to some almost mystical special status. This separation of the atom from the whole range of human affairs has resulted in a narrowing of our outlook, so that we do not clearly see the broad spectrum of rapid human change going on in the world. A world of change is a world of hope, if we do not allow our preoccupation with nuclear weapons to chill our creativeness and weaken our will in other areas outside weapons.

The road to eliminating war using nuclear weapons then is said to be disarmament.

I say "said to be" because this is the official verbal position of the great powers, and the great tranquilizer for the anxious lay citizen, on our side and perhaps both sides of the curtain of iron. Draft treaties by the United States and the U.S.S.R. calling for such general disarmament lie before the negotiators at Geneva; in this country dozens of technical studies to support our proposal are underway.

The Russians for years have lost no opportunity to propose in general terms the early goal of general disarmament, as years ago they initiated the transparently unacceptable ban-the-bomb cure for world tensions. The United States, following this lead, has also put forward a proposal for step-by-step general disarmament. A special agency in our Government on disarmament is in existence. For several years the Russians and ourselves (as chief parties) have been at the conference table at Geneva on what is described as a first step in disarmament, that is, an attempt to agree not to test nuclear weapons.

It is not decisive—and not a bit surprising—that these disarmament efforts have not thus far produced agreement, though it is possible that some form of agreement on testing—or a de facto suspension—may be within reach. What is more significant, I suggest, is that the discussions themselves have increased, and are likely to continue to increase rather than diminish ill will and distrust. Our willingness to negotiate (and to make one concession after another, as we have) has not increased the Russians' confidence in us. It has certainly not increased our confidence in their intentions. Our representatives have been forced openly and explicitly to say that the Russians are using disarmament talks to gain time for military advantage, and we say much the same thing about their good faith and aggressive intentions.

From time to time—as in the past—Chairman Khrushchev will make some dramatic disarmament move, couched in conciliatory terms. This will, if the past is any measure, encourage a belief among many people that disarmament is in truth a real hope. As a consequence, there will once more be a diminution of vigor and faith and public interest in those more prosaic measures for peace that lie outside the area of weapons. The Russians have done this more than once before, Chairman Khrushchev coming to the United States at one time for that purpose. It is bound to happen again in a somewhat different form, perhaps at Geneva and possibly soon.

But it is my opinion that, whatever the motive, such proffers, while they will stir hopes in an anxious world, will prove to be another source of disillusion, another diversion and dilution of the priority that should go to other means of bringing peace, and a cause of added frustration and anger. The underlying animosities will not be diminished thereby; on the contrary. The negotiations at Geneva, although conducted by able and patient men, have not, in my opinion, improved the prospects for avoiding nuclear disaster, but have subtracted from the prospects of peace.

Why should we continue the official rhetoric that the U.S.S.R. or the United States seriously expects major disarmament in the near future? The acts of rearmament of both our governments look the other way. We were never farther from a peaceful mood than in the midst of this disarmament rhetoric, on both sides. This is not necessarily for lack of sincerity as to goals. Certainly neither the United States nor the U.S.S.R. wants war or wants to go on spending vast sums on armament. But in any case the formal position of both governments places serious steps in disarmament highest on their officially stated priorities, so we must consider it a major premise.

But there are other reasons why we must consider the current negotiations for disarmament with the utmost seriousness, and question them if we feel, as I do, that they should be challenged. For whether the negotiators believe there will be consequential affirmative results of their efforts or not, they are necessarily prisoners of a commitment, an emotional commitment to their premise which I regard as a mirage, a myth, the myth that hope for eliminating war lies chiefly or solely in eliminating weapons of war. This premise may sooner or later pervade American public opinion and reach the minds of average men and women who are, as compared to the disarmament negotiators and experts, uninformed and unsophisticated in the realities of his issue. (That the Russians may be counting on this very gambit can be reasonably drawn from a reading of the views of a man long familiar with Soviet military thinking, Prof. P. M. S. Blackett, in a recent issue of Harper's Magazine.)

The average American may regard Geneva and the endless meetings as a necessary propaganda fix we are in, since we cannot allow the Russians to say that we do not want disarmament and that, therefore, we do not want peace. The average man and the conscientious realistic public servant may fully realize that the negotiations at the time are futile. Yet the feeling is widespread, I would judge, among very well-motivated people that such negotiations are the only hope, so must be continued, however slender the prospects. But here, I fear, is the heart of the danger. That adherence to the myth that the only hope is disarmament (or "arms control" as it is sometimes called) becomes such an emotional fixation as to blind us to what other things there are to do that are do-able.

We got into this negotiating fix about arms I suggest, because of our adherence to the basic premise that cause the confusion and frustration, the premise that the roots of the problem of war are the weapons of war, that to eliminate them is the primary road to peace.

I know of nothing in modern experience and history that supports the thesis that disarmament in itself brings peace. Nor do I believe that it is "inevitable" that a continuance of the arms race must lead to nuclear war. This is a kind of "either-or" outlook that to me is at odds with everything we know or ought to know about human affairs. In this world nothing seems inevitable—good or bad—except the process of change. And, more affirmatively, I ask you to consider whether the prospects for changes that will make nuclear armaments less relevant, that will minimize the risk that they will be used, or any arms used, is not far greater if we give the highest priorities of statesmanship and public attention to those changes which further the slow, but I believe, sure growth of community among men, for here is the true disarmament.

I repeat, it is not the nuclear weapons that are at the center of our problems. It is man. Nuclear weapons in Canada, say, are no threat to us; the same weapons at the same distance, in Cuba, are a desperate threat. The difference is not in the presence of weapons but the purposes of the men behind them—their motives, their grievances, the desperation of their leaders because of internal pressures, the poverty of their people, and so on—in short the whole bundle of human emotional combustibles which cause war.

I have a deep confidence that in time the world will find ways of composing most differences and conflicts without war. But conflicts and competition and struggle and the impulse to use force we shall always have to contend with: they are built into the nature of man himself. Even the followers of Ghandi are forced to see this. After the Chinese invasion, Prime Minister Nehru is reported to have said of the Indians: "We were getting out of touch with realities in the modern world. We were living in an atmosphere of our own creation and we have been shaken out of it." But built into the nature of man himself are also God-like qualities of reason, of compassion, of compromise and of love, not only for his own family but for the family of men.

The crucial question is not whether we are for or against disarmament, for or against peace. What we must ask ourselves carefully and critically is whether negotiation about disarmament at this time is for or is against the interests of peace, for or against the ultimate prospects of true disarmament.

There are four chief concerns I have about continuation or resumption of general or nuclear disarmament negotiations at this time with the Soviet Union; they can be summarized in this way:

First. High priority given to negotiations for disarmament treaties at this time, such as those pending in Geneva add to the risks

of disaster. For they provide the tinder for an increase rather than a decrease in acute animosities, distrust, tensions, and confrontations, at almost the worst possible time, with no likelihood of an offsetting gain for peace to balance against the taking of such added risks.

Second. A disarmament treaty, now, between the Soviet Union and the United States and the West would leave the warlike Chinese in a position of power dangerous to world peace; even a serious prospect that both the great powers might disarm could be disturbing to peace-loving peoples in Asia, under the shadow of China.

Third. Disarmament negotiations, that is a preoccupation with weapons, distract and dilute our energies and attention from those multiple, diverse ways and means of strengthening bit by bit the sense of community and commonalty of interest in the world in which lies the real hope of making weapons less relevant. This is a concern I shall address myself to more fully in the second lecture.

Fourth. If negotiations for disarmament are undertaken seriously under current conditions they are unrealistic. Therefore, they have the infirmities and dangers of any escape from reality in a tough and changing world. And if they are not undertaken seriously, but as propaganda moves, they have the risk of any transparent maneuver: little hope of gain for peace, and real danger of moral injury.

A few comments on my first stated concern: That negotiations now, at the wrong time and under the wrong circumstances, can and do increase the very anxieties, tensions, and animosities they are designed to diminish.

No need to get into the technicalities of the months and years of the negotiations. Take one instance only. Ironically, this instance arises out of the sole issue of principle on which the United States and the U.S.S.R. have reached verbal agreement.

In September 1961 Ambassadors McCloy and Zorin agreed for their Governments—and I quote a portion of the central clause—that "all measures of general and complete disarmament should be balanced so that at no stage of the implementation of the treaty could any state or groups of states gain military advantage," as a consequence of disarmament measures.

How can these bitter antagonists discuss a balance of military force, as between them, so that the discussion will make any sense at all, without disclosing to the other what is the state of their arms at the time of the balancing process? And information, in sufficiently revealing detail to mean anything, about the state of their arms, inevitably discloses to knowledgeable men their war plans and military policies. War policies and plans are a nation's most sensitive area, making the controversial "on-site" inspection of underground tests seem innocuous indeed by comparison. And how can discussion of balance make any sense unless the disclosures and representations of the two parties of their present arms are subjected to verification by the other side? The incentive for lying, or saber-rattling to impress the other side, would be brought to a new high point if such a discussion got very far. What a bagful of furies the specific discussion of such propositions might unleash. What acute anxieties it would stir. How much nearer this could bring us to the point of no return.

There are more than a few instances growing out of the negotiations of disarmament and of the test ban that have led to, and will continue to lead to, provocative and dangerous charges of bad faith, on both sides. These are directed not just against the negotiators, but inevitably challenge the honor and intentions of the heads of state and their chief civilian and military officers. Repeatedly calling into question the honesty and intentions of a great power, in the ugly temper of the present, inflicts wounds that fester. When the dispute in negotiation is fishery rights, say, that is one thing. But where the questions are those of life and death that are involved in disarmament discussions, that is quite another matter; for, while these talks go on, the very subjects of discussion—their nuclear missiles, and ours—are pointed toward each other night and day. Under these conditions an accusation that impugns an antagonist's basic intentions about those very weapons increases the risk that the trigger will be pulled by design or in panic, since such an accusation may well be construed as the signal for attack, forcing what a military man might readily justify as anticipatory retaliation.

Thus the very discussions intended by both sides to diminish distrust and promote better relations can produce mutual crises of confidence—grave, acute, and even explosive.

Turning to a discussion of my second stated concern, the absence of China from the conference table.

The discussions about disarmament have assumed two antagonists. A commitment, therefore, on the part of the Soviet Union for disarmament is presumed, under this doctrine, to encompass wholly one side of the balance of power, and the same is to be said of the West. But the fluidity of the world is such that the Soviet Union may not even now be able to speak for the countries that are or may be major threats to peace. It is almost certain today that the Soviet Union would be unable to commit China to disarmament. With the West and the Soviet disarmed the Chinese could make a mockery of the very objective of disarmament: peace in the world. If the Soviet did in fact disarm, and China did not, would the peace-loving Indians regard this as a step toward peace? Of course not.

If any further evidence of the unreality of Geneva were needed, the absence of China would supply it. Can one conceive of the U.S.S.R. disarming, except as a token, without China included? Can anyone expect us to do that, either? Of course not. Would any person now want the United States and U.S.S.R. to disarm, with the warlike Chinese on the move?

On the other side (but to a lesser degree) it is far from clear that the United Kingdom and the United States could now speak for the Republic of France on a disarmament program, perhaps even on a test ban, certainly not until France fully establishes herself as a nuclear power.

Disarmament now, as a principal reliance for peace, has the inherent defect: that unless it is well-nigh universal it increases the power for mischief of those who are unwilling to disarm, or who change sides, from being friends to being enemies. In our own time we have seen almost overnight, shifts in who is enemy and who is friend. On one day the strongest military nation in Europe, the German Reich, was on the friendliest terms with Russia, and on the following day, waging war with her. For hundreds of years the people of China and the people of India regarded themselves as brothers. As I speak to you, they are engaged in war. Ten years ago we, the United States, insisted on a provision in the Japanese constitution against a Japanese military establishment. It was not long thereafter that we were complaining bitterly that the Japanese were slow in rearming themselves.

If the pieces on the armament chessboard are moving with such unpredictable rapidity, is this not a dangerous time to engage in serious negotiations with the Soviet Union about complete and total disarmament; is this a time when anything but continued futility, frustration, and increased hostility can come out of such negotiations?

My third category of concern I have reserved for the succeeding lecture on change and hope.

My fourth concern is that negotiation is unrealistic, if it is founded on the belief, on either side, that general and total disarmament, or even major reduction in arms can come out of negotiations at this time.

Suppose it is clearly futile; what harm does it do, one is asked, to negotiate with the Soviet on their offer of peaceful coexistence and their offer to negotiate for an immediate general and total disarmament?

The chief harm is that this preoccupation with getting rid of weapons, as I have said, is a basically wrong premise. But there is the harm that inheres in the fact, as I believe, that disarmament now is not realistic.

We have been through just such periods of unreality and wishful thinking in recent years—the spirit of Geneva, the spirit of Camp David, the illusions of the summit meeting formula for peace. The spring of 1960 we had just been through 2 years of this fantasy. What I wrote at that time, unchanged, expresses as well as I can today the risks of unrealism.

In an article in the New York Times for May 15, 1960, I said: "The sure road to war is to live in fantasy, in a world that does not exist * * *. It is through such a dream world that the West has been passing. During this incredible period, however, the hard-bitten, realistic and aggressive Communists were softening up our American resolution—their prime target.

"They flooded us with horror stories of mutual suicide by atomic warfare and alluring but empty offers of peaceful coexistence, total disarmament and an end to nuclear weapons.

"There is a wealth of impressive evidence that the American people can face hard, cruel, and disappointing facts, and can act with vigor, toughness, tenacity, and firmness.

"It was American firmness and readiness to face up to facts that helped get the Red Army out of Iran, that rebuilt our Armed Forces and thereby kept the Chinese out of South Korea, that saved Greece and Turkey, that helped produce a peace treaty for Austria, that saved Berlin by amazing airlift. On almost any of these acts of resolution the Soviet might have gone to war. They didn't."

If I were writing this today rather than May 1960 I would not change this language except to add the crises of Cuba to the list.

Resuming: "A peace that is no peace, a thaw that is no warming up * * *, this is not the road to peace. On the contrary, it is the road to disaster."

And then this final paragraph of that article. "There is as yet no evidence that facing up to reality in dealing with the Soviet adds to the risks that already exist. My own opinion is that the greatest risk of all would be to continue to nurse the illusion that international tension is relaxed because we ourselves have been relaxing."

I find that there are not a few thoughtful people who say to justify futile and ill-timed negotiations: "While you are talking you're not shooting."

I wonder. I recall that the Japanese emissaries were still talking to Secretary Hull while their bombardiers were blasting our fleet at Pearl Harbor.

Or take a very recent case. On October 30, 1962, the Indian Ambassador to the United States issued a statement to his countrymen here concerning China's attack on India. "From the very beginning of this (border) dispute we had never stinted any effort to arrive at a peaceful solution through negotiation. While talking of negotiations China has prepared for aggression and has now launched a totally unprovoked massive armed invasion against us."

Talking is not always synonymous with not shooting, by any means.

Talking around a conference table unless the parties have something specific to say, something that is feasible and that will be supported by their people back home has little to commend it.

Suppose there were agreement with my thesis that general disarmament negotiations now cannot produce a treaty, and that to continue them is to incur risks with no direct offsetting gains. Still the question remains, can we withdraw from these negotiations without giving the Soviets a propaganda victory? Aren't we stuck with these negotiations indefinitely, however futile, however risky, because there is no way to get out? Wouldn't our withdrawal adversely affect our status with the so-called neutral or inbetween nations and peoples?

These are questions that only the President and the Secretary of State can competently judge, looking at the scales upon which all the factors have been weighed.

The critical question, as I see it, is not immediate withdrawal, or an indefinite recess of the Geneva Conferences. What is crucial, I believe, is that we should not allow our participation in disarmament discussions to become such a deep preoccupation, such a strong emotional commitment, that it blinds or beguiles the average man so he cannot face the facts of how utterly remote and dangerous these negotiations are at this time. What is of central importance is that whether these talks continue or not, they do not distract our attention and dilute our energies away from the less dramatic, the multiple, diverse and far more realistic roads to peace, which have nothing directly to do with disarmament.

We should guard against the not inconsiderable risk that we shall be wedded to a disarmament doctrine evolved by technical experts whose deserved prestige as technical men obscures the underlying issues, which are not technical. Laymen are too readily impressed and feel inferior in the presence of specialists whose concepts and even whose words we cannot comprehend. A scientist, reviewing a book by a high priest of the emerging cult of disarmament technical experts recently reminded his readers, "That Department of Defense consultants back to the Delphic Oracle and before have consciously or unconsciously commanded respect by emphasizing the subtlety of their expertise and the dignity of their research organizations."

At the close of the Second World War in complete good faith we occupied ourselves with programs for the nuclear disarmament of the victorious alliance, the United States, the United Kingdom, France and the U.S.S.R. How adversely this preoccupation with weapons—continued since that time—eroded the relations between the members of that alliance no man can yet assess. But we can say that the disarmament movement after the First World War did produce disastrous results. One of the brilliant apostles of disarmament after World War I was the man who is now America's most respected political analyst, Mr. Walter Lippman. In a book written in 1943[1] he explained why he had been wrong in crusading for disarmament. I ask you to ponder Mr. Lippman's words and decide for yourselves whether or not they are relevant to the problem we have faced ever since the end of World War II:

"In the interval between the two Great Wars the United States sought to promote peace by denouncing war, even by outlawing it, and by disarming itself, Great Britain and France * * * the disinterested and idealistic theory of disarmament was that if everyone had less capacity to wage war, there would be a smaller likelihood of war. Big warships meant big wars. Smaller warships meant smaller wars. No warships might eventually mean no wars * * *. On the theory that disarmament could promote peace, laborious negotiations and elaborate diplomacy and splendid international conferences were promoted in Washington, Geneva, and London. * * * It soon transpired that though the premise of these conferences was that smaller armaments would banish war, the working premise of all the Governments was that each of the former allies was now the rival, and therefore the potential enemy, of all the others. The disarmament movement was, as the event has shown, tragically successful in disarming the nations that believed in disarmament. The net effect was to dissolve the alliance among the victors of the First World War, and to reduce them to almost disastrous impotence."

We must deal with the world as it is, we must begin from there, and thence move toward the noble goals of peace to which we all aspire. Competition, passion, hate, love, imagination—all the factors that make up everyday living—are among the essential components of the most sensitive human problem man has ever sought to solve.

What I have to say about the dangers and risks of disarmament, highly controversial I know, are necessary to weigh before we can think clearly about an affirmative alternative to these current risks of negotiations toward disarmament. It is only then we will be ready to think in new terms and new dimensions.

Therefore, even if I had no affirmative suggestions to offer, I would hope that calling attention to the mythology of disarmament negotiations serves a useful purpose.

I have said that our chief hope for peace is not in an attack on weapons but in other areas of life in the fluid world of 1963. To an elaboration of the basis of this thesis I shall return in the succeeding lecture.

[1] "U.S. Foreign Policy," Little Brown & Co., 1943.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Colorado yield; and, if so, to whom?

Mr. DOMINICK. I yield to the Senator from Montana.

The VICE PRESIDENT. How much time does the Senator yield?

Mr. MANSFIELD. One minute will be sufficient.

Mr. DOMINICK. I yield 1 minute.

The VICE PRESIDENT. The Senator from Montana is recognized for 1 minute.

Mr. MANSFIELD. Mr. President, I want to reinforce what the distinguished minority leader has said. Any Member can object to any committee's meeting during the session of the Senate with the exception of the Appropriations Committee. I would do exactly the same thing on this side, if I were requested by Members on the Democratic side of the aisle, as he has done in compliance with the request made by the Members on his side of the aisle.

In view of the situation which arose prior to the end of the debate on yesterday on the pending bill, I ask for the yeas and nays on the Dominick amendment.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, in my opinion, the amendment I am presenting today, which deals with a subject different from the ones discussed yesterday and voted on this morning and on yesterday, is probably as important as any single provision in the bill. As the bill is now written, as it came out of the Commerce Committee, it contains a provision in subsection (c), on page 17, which states that before a grant may be given to a transit company, the schedule of rates to be approved by the Administrator must be submitted and agreed to. This is fine. There is no objection to this, I am sure, by most of the membership here.

The language then provides that if the rates are thereafter changed and the Administrator in his own discretion determines that is going to be adverse to repayment of the loan or grant or revenues that may be involved in the transit company, he has the right to notify the body that has put the rates into existence and cut off all further loans to this particular body, or grants, as it may be—but not only to cut them off on the transit authority, but cut off further commitments under the Housing and Home Finance Agency within the particular area so affected.

I think every Senator ought to know what it means. This means that one man, the Administrator, could cut off all urban planning grants, urban studies, housing research, transportation activities which are involved in the Housing and Home Finance Agency, urban transportation assistance, open space land grants, low income housing demonstration programs, farm housing research, public facilities loans, public works planning, urban renewal funds, community disposal operations, the Federal National Mortgage Association, and all the operations which it conducts, the Federal Housing Administration and all the operations it conducts, and the Public Housing Administration.

So, in effect, if this bill is permitted to remain in its present form, it makes the Administrator in the mass transit program the complete arbiter of all other Federal programs in the area where a grant has been made and where rates may thereafter be changed.

Mr. SCOTT. Mr. President, will the Senator yield for a question?

Mr. DOMINICK. I yield.

Mr. SCOTT. Will the Senator be good enough to state what his amendment does, and then permit me to make further comment?

Mr. DOMINICK. My amendment would strike out, on page 17, the last sentence of subsection (c), which would eliminate the power of the Administrator, but which would still let him appear in any public utility hearing there might be on a rate change in order to present his viewpoint and what the rate change

might involve so far as a future loan or grant to this agency is concerned.

Mr. SCOTT. I should like to say to the distinguished Senator from Colorado that, as a member of the Commerce Committee, I voted against the amendment in the bill, as did one other member of the committee on this side of the aisle, who is not at the moment present on the floor, because I felt, as the Senator did, that the language of the amendment that was adopted in committee virtually makes a czar of the Administrator, and permits him to have penal power, in effect, far beyond what is necessary or relevant to the particular measure now pending. I did support other amendments in committee, such as the one which forbids back-door financing, and sends the bill through the normal process of authorization and appropriation.

I would rather see the entire amendment stricken from the bill. What I am not entirely clear about is how far the amendment of the Senator from Colorado goes.

Mr. DOMINICK. I appreciate the question of the distinguished Senator from Pennsylvania. What I would strike out is the last sentence which reads as follows:

> Thereafter the Administrator shall not extend any assistance under any law administered by the Housing and Home Finance Agency—

And so forth, down to the end of that sentence.

Therefore, what I am trying to do, and what would be accomplished if the amendment were adopted, is, in effect, to eliminate the power that is given to the Administrator by the Commerce Committee amendment to cut off all other programs in the area.

Mr. SCOTT. I would go even further; but I approve of what the Senator seeks to do, and I hope that the amendment will be adopted.

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

Mr. DOMINICK. I yield.

Mr. COOPER. As I understand the language as it now exists in the bill, the Administrator has one sanction, the sanction not to provide funds if the rates are changed. The sanction against which the Senator's amendment is directed is the sanction which to me seems to be quite coercive, and which is a coercive power the Administrator could exercise against a municipality with respect to any decision he might make about the adequacy or appropriateness of rates.

Mr. DOMINICK. That is correct in part. However, if my amendment is adopted, it would also remove his right to completely cut off any future grants to a transit company merely because of a rate change.

Mr. COOPER. I support the Senator's amendment, because the present language gives the Administrator a power which does not seem to be related in any way to the program, and a power which I believe is coercive.

Mr. DOMINICK. I thank the Senator. I believe it is a little bit like killing a mosquito with a meat ax, if we leave the language in the bill.

There is one other point, which I discussed with the distinguished Senator from Nevada [Mr. CANNON] on the floor the other day, that this section, if the last sentence of it is left in the bill, in effect gives to the Administrator an indirect veto right over the public utilities commissions of the various States.

Any proposed rate change of a transit body that I know of must go before the public utilities commission of the State affected. All the financial conditions of the public transit authority are gone into by the public utilities commission of that State, and the commission determines whether the proposed new rates will be adequate. These facts would include the provisions for the repayment of any loan or any future subsidies it felt it could get from the Government. All these facts would be presented to the commission. If the commission rendered a decision to the effect that the proposed rate schedule was acceptable, it does not seem to me that thereafter if the transit authority should go to the Administrator he should have the power to say that the public utilities commission of that State was wrong in making the determination that the commission made in the case being considered, and that he should have the right to say, "We will not only cut off future grants to this transit authority, but also all future grants coming under the HHFA in connection with all the other programs involved in that area."

As I understand, what the Commerce Committee was trying to do in its wisdom was to give a weapon to the Administrator to try to make sure that once a grant had been given, the rates would not be changed so as to put the company in the same bad financial position it was in at the beginning.

However, the language in the bill, in this section, goes far beyond the aims and purposes of what was in the mind of the committee, I am sure. This creates a czar with power not only over transit but also over public housing, slum clearance, urban renewal, farm housing, low cost housing demonstration programs, and everything else under the jurisdiction of the HHFA Administrator, because the language provides that the Administrator "shall not extend any assistance under any law administered by the Housing and Home Finance Agency."

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

Mr. DOMINICK. I yield.

Mr. JAVITS. I am sympathetic toward the Senator's amendment insofar as it seeks to restrict the ambit of the Administrator's authority to qualify assistance to public mass transit systems. I would support the Senator's amendment if it were limited to eliminating the coercive power of the Administrator over housing and other grants and loans. I am concerned about an inability to do anything about a diminution of security for a loan. The rate schedule represents the dollars and cents basis upon which a loan or grant is made. If this is swept away through action of a State or municipal agency, how do we protect what seems to be the honest and best judgment in these situations?

Mr. DOMINICK. This language applies to grants, not to loans. What it does now is to say to the Administrator that he cannot give any further assistance if they have made a change in their rates so that in the opinion of the Administrator the company will not be able to operate properly in the future. This would mean that the transit company, if it came back to the Administrator and said, "We want further grants, because we have not received all we want," he could say, "No, we will not give it to you."

What it does is to say that the transit company is required to abide by the judgment of the Administrator regardless of what the PUC of the State has done, if they want to get any further assistance after they put into effect a rate schedule which has been approved by the State agency.

Mr. JAVITS. I do not believe that the Senator has described the classic case. I believe the classic case would be an agreement by the Administrator to give annual grants to enable a mass transportation system to function. Let us assume that one grant had been made for the year 1963. Let us assume that the rate schedule was changed by the Public Utilities Commission for the year 1964, and that a contractual obligation exists for the Administrator to make a grant in 1964, which contractual obligation he undertook based upon a previous rate schedule.

Would the Senator's amendment prevent the Administrator from denying the additional advance because the contract for the rate schedule was changed to the detriment of the operation of the whole system?

Mr. DOMINICK. As I interpret this language, it would not make any difference whether my amendment were adopted or not, because if a firm commitment had been made, the Administrator could not cut it off.

What I am trying to do by eliminating the last sentence is to provide that the Administrator may not overrule the decision of the PUC; nor can he say that he is the determinator of whether wholly different programs will go into effect in the area involved.

Mr. JAVITS. Then what does the Senator construe this section to mean? Does he construe it to mean that it gives the Administrator punitive power, even though he is not committed to make any loan or advance anyhow?

Mr. DOMINICK. It gives him punitive power because of the power of the Federal dollar. The Senator from New York knows, I know, and the rest of us know, that a large number of programs are now in the planning stage. If the Administrator can say, "Unless the transit body changes its rate schedule to fit my particular ideas—I being the Administrator—the community will not get any programs or any type of help, such as urban renewal or slum clearance," then, in effect, we shall have given to the Administrator power far beyond what I understand the bill originally intended.

Mr. JAVITS. I hope the Senator will reserve enough time so that when the explanation is made by the Senators in

charge of the bill, he may be able to comment upon the contingencies which they will allegedly be trying to set forth.

I thank the Senator for his answers.

Mr. DOMINICK. I thank the Senator from New York.

Mr. President, I do not know how much time I have remaining, but I should like to reserve the rest of my time.

The VICE PRESIDENT. The Senator from Colorado has 13 minutes remaining.

Mr. CANNON. Mr. President, will the Senator from Colorado yield for a question?

Mr. DOMINICK. I yield.

Mr. CANNON. I understood the Senator to say that in the event the bill were passed in its present form and the Administrator made a determination as specified in the part which the Senator would omit, then every other commitment that might be made under the Housing and Home Finance Agency, or any law administered thereunder, could be cut off.

Mr. DOMINICK. If I did, I misspoke. I certainly did not intend to say that. I intended to say that if the Administrator made a determination that a new rate schedule was adverse, he could then say to the city or area involved, "You will not get any future assistance for any program in this area unless you help us to require the transit body to change its rate schedules."

Mr. CANNON. The Senator from Colorado is correct. I am glad he has corrected the record to show that the proposal would not cut off any other commitment; because, if commitments have been made, they are specifically excluded.

Did I understand the Senator correctly to say that this section would prohibit any other relief being granted under the farm housing program?

Mr. DOMINICK. That is one of the laws administered by the Housing and Home Finance Agency.

Mr. CANNON. Did the Senator also say that the section would preclude any further assistance under the FNMA program and the Federal housing program?

Mr. DOMINICK. No, I do not believe I said that.

Mr. CANNON. The record discloses that those three programs were in the list enumerated by the Senator. I should like to ask him if it is his understanding that assistance would be discontinued under the farm housing program, the FNMA program, and the Federal housing program, if the bill in its present form were passed?

Mr. DOMINICK. The farm housing research program, as I understand; the low-rent housing program; the Federal Housing Administration; and the special assistance functions fund under the Federal National Mortgage Association. I have before me a list of the new obligational authority for expenditures by the Housing and Home Finance Agency. It does not give in detail, to the extent I should like to have it indicate, the actual laws which are administered by the Housing and Home Finance Agency, which is my understanding of the laws to be covered by the provision I am seeking to strike.

Mr. CANNON. May I ask if the Senator has in mind making the record clear that this would not include programs not referred to as area programs involving local governments or agencies thereof?

Mr. DOMINICK. Mr. President, perhaps the distinguished Senator from Nevada should use his own time. Then I could ask him some questions, and we would not run out of time so fast.

Mr. CANNON. Mr. President, does the Senator from Colorado yield the floor?

Mr. DOMINICK. I yield the floor, but I reserve the remainder of my time.

Mr. CANNON. By way of explanation, the section recommended by the Committee on Commerce is, in effect, a control measure to insure that a local public body which comes before the Federal Government for assistance does not make a project recommendation and then go back and renege on its representation to the Federal Government. That is purely and simply what the provision states, as we have drafted it in subsection (c). If the amendment of the Senator from Colorado were adopted, there would be no control of the local public body once they had got their grant on notification by the Administrator, if the local public body should renege on the program they had presented.

We feel that this is the minimum that could be required. In the explanation as set forth in the report of the Committee on Commerce, page 10, we state:

> This is a new section which would require the local governing bodies to adhere to the project justification which they presented to the Administrator, and on the basis of which a grant was authorized.

If the transit authority does not ask for a Federal grant and represent that it is going to do certain things, this section would not apply to it at all:

> The applicant would have to include in its justification a proposed schedule of fares, under which the transit system would be able to continue to operate on a sound economic basis.

The Senator's amendment simply provides that if a plan is presented which shows that their schedule of fares would not permit them to operate on a sound economic basis, but on that basis a grant was made to the local body, and it then cut back and said, "We are not going to follow this schedule of fares which we have presented to the Federal Government, and on which our grant was based," the Administrator would notify it that it was proceeding on an uneconomic basis. If this were factually determined, and were not a finding at the whim of the Administrator, as some have indicated, thereafter, unless the Administrator had notified the local public body that it had been granted compensatory relief, the local public body might elect to lower the fares and grant a direct subsidy, which could be done under the bill, which would not justify the Administrator in withholding further action.

The report is clear in that it states:

> If corrective action (which might involve various forms of relief including a direct local subsidy) is not taken, the Administrator shall cut off all future assistance administered by the HHFA (except pursuant to prior commitments) for projects in the area involved.

I note that exception specifically because of the question which was raised by the Senator from New York [Mr. JAVITS].

If continued, I submit that this would not authorize the Administrator to discontinue any commitment that had heretofore been entered into on a contractual basis or any other basis.

Mr. JAVITS. Mr. President, will the Senator from Nevada yield?

Mr. CANNON. I yield to the Senator from New York.

Mr. JAVITS. As the Senator knows, I favor the bill. I have fought to help to bring it out of committee. I must say that I am not very happy about the punitive aspects of the bill.

As the Senator has said, "Thereafter, the Administrator shall not extend any assistance" under the act "to finance in whole or in part" such projects. I think that is entirely justifiable. I would be with the Senator on that point.

But I must say that the idea of extending the ambit of punishment to the laws with respect to housing and community facilities and other matters is a little unusual, under our law. I think it places a strain upon the bill which is really more than it ought to bear.

For instance, on the next page of the bill, there is provided a possibility to qualify for additional grants after 3 years. That is the kind of thing I would want to cut off. But I am very much concerned about extending the ambit of this power to other laws because they happen to be administered by the Housing and Home Finance Agency. We might just as well include any other Administrator; they are all under the same Federal Government.

Can the Senator tell us what was the rationale in extending the provision and going so far afield?

Mr. CANNON. I am advised that the HHFA does exactly this at the present time when it is a matter of administrative determination rather than a matter of law.

We are attempting to write the practice into law. If an applicant comes before the HHFA and makes a representation and then does not follow out the representation, and then comes in under another law administered by HHFA, the first thing the HHFA will do will be to check to see if the local public body is living up to the agreements it made in the first instance. If it is not, I am advised that the HHFA at present would withhold further assistance.

But we felt that as an insuring provision, this should be written in, as a matter of law, in order to put the local public bodies on notice, so they would not say, "We are going to represent that this is our project plan, and we will carry out the plan until we get the money. But once we get the money, if we then de-

cide, for any reason, that we want to reduce the fares, we will do that, even though it makes our operation uneconomical, and even though we may not take other compensatory action."

If they took other compensatory action—for example, such as a direct grant—then, as I have indicated, the Administrator would have no concern, because we would wish to be sure the operation was economically sound. But that responsibility would be imposed on them before the grant was made.

Mr. JAVITS. Mr. President, will the Senator from Nevada yield?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Nevada yield to the Senator from New York?

Mr. CANNON. I am glad to yield.

Mr. JAVITS. If the Administrator has that authority now, on an administrative basis, this measure would be changing it, because it would be making it mandatory. The Senator from Nevada is well aware of the legal maxim, "Special cases make bad law." In short, I think the fact that the Administrator now has that flexibility is good, rather than bad; and I would hate to see the Administrator straitjacketed in such a way that he would have to deny all forms of relief, even if justified in a particular case.

Mr. CANNON. This matter has been tested, from the point of view of whether the Administrator of the HHFA now has that legal authority; and he is doing this.

Mr. JAVITS. But this provision would be improved by using the word "may," instead of the word "shall." The use of the word "shall" would be a mandate; and I must say that I cannot agree as to that.

Mr. CANNON. Would the use of the word "may" remove the Senator's objection? We are not particularly wedded to the use of this language. But I would be unalterably opposed to removing all limitations from the local public bodies, once they obtained the grants, and thus let them use the Federal funds in a fashion which might not be economically sound.

If the Senator from New York would accept the word "may," rather than the word "shall," I would be inclined to give that consideration.

Mr. JAVITS. I should like to consider that for a few minutes.

Mr. DOMINICK. Mr. President, at this point will the Senator from Nevada yield to me?

Mr. CANNON. I yield.

Mr. DOMINICK. I should like to ask several questions.

We have been assuming that the grant will have been given under representations made by the local public body. Then the provision reads as follows:

> If, at any time after the making of such grant with respect to such project, a change is effected in such schedule—

And so forth.

How long will that remain in effect? How long will the Administrator have the right to say, "This is a frozen schedule, and any change you make will be adverse, in my opinion, to the original plan."

Mr. CANNON. It would remain in effect for the period of the justification which had been presented by the local public body in applying for the grant.

Mr. DOMINICK. Could that be 20 years?

Mr. CANNON. If the local body said so in applying for the justification, it could be 20 years.

Mr. DOMINICK. But if the Administrator does not like it——

Mr. CANNON. That is not the way this provision reads. It states that if the schedule of fares is so altered, after the grant has been received, that the Administrator finds, as a matter of fact, that the transit system will not thereafter be able to operate on a sound and economic basis, then he will give the notification. In other words, the basis throughout is that if the local public body takes action which is not economically sound, then it will be jeopardizing further grants under the HHFA. If it takes action that is financially or economically sound, it will have no problem. If it reduced the rates because, it said, "we can operate on a financially sound basis with a lower rate in effect," that would be fine, and it would not jeopardize the program or its economic soundness.

This is a very clear limitation. It is dependent on economic soundness or unsoundness, which is a matter of fact; and the public bodies determine that fact every day.

Speaking of the public bodies, the Senator said this is an attempt to supersede the public utility commissions of the various States. However, it is not such a provision; and in my opinion it would not affect them one iota. I say that for the reason that many States do not require the local transit bodies to go before the State public service commissions in connection with rate matters; second, this envisions an operation of a local public body, and most of the local public bodies are specifically exempt from having to make application to State public service commissions or public utility commissions in connection with rate matters.

Again I say to the Senator that certainly in carrying out a program, if a local body or a city had to apply to the public service commission, I presume it would submit to the Administrator a schedule of proposed rates, and would say, "We think this is economically sound," because I have never seen a public service commission which would permit rates to be put into effect if it thought them not economically sound. Therefore, we are talking about two roads to the same thing.

Mr. President, for the moment, I reserve the remainder of my time.

Mr. DOMINICK. Mr. President, I should like to make a few other points because I believe this matter is extremely important.

First of all, the discretion to be given to the Administrator is not limited at all by the wording used. It states:

> If, at any time after the making of such grant with respect to such project, a change is effected in such schedule which the Administrator determines will substantially reduce revenues from the project and lessen the chances for an economically sound operation—

Then these things will go into effect.

Let us consider the words "If, at any time." That could mean, as the wording now stands, that indefinitely in the future the Administrator would have the question of the control over the public assistance would be given to that entire area under any law administered by the HHFA.

Second, I do not agree with the distinguished Senator from Nevada as to the question of the control over the public utility commissions. I, myself, do not happen to know of any State which does not regulate the rates of transit companies, particularly intrastate companies. Based on my experience, it seems to me that most of the States do this. The Senator from Nevada may have in mind some specific examples about which I do not know.

But if a public utility commission has said that in its judgment the particular schedule of rates will be sufficient to create a reasonable return on the transit operation which is then in effect, it does not seem to me proper to put the pressure on the mass transit body—the local agency which is running it—and on the public utility commission to deny the schedule of rates solely because of what will happen to other programs in the area served by the transit body.

Mr. KEATING. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I yield.

Mr. KEATING. In listening to this debate, I thought perhaps the idea advanced by my colleague [Mr. JAVITS] should be pursued, and that perhaps that would be a solution of the problem and would be acceptable to all sides; namely, to limit the application of this sentence to assistance under this act, rather than assistance under any law administered by the HHFA.

First, of course, it would be necessary for the sponsor of the amendment to approve of that change; but I wonder what would be the attitude of the floor manager of the bill. Would not the inclusion of these words satisfy the objective the Senator is seeking to attain?

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

Mr. DOMINICK. I yielded to the Senator from New York.

Mr. KEATING. I have asked the question with some deference because the bill was not reported from my committee. All I know about it is what I have heard while listening to the debate.

Mr. CANNON. Mr. President, if the Senator will yield to me, I shall be happy to answer the question.

Mr. DOMINICK. I yield to the Senator from Nevada so that he may answer.

Mr. CANNON. I am happy to answer the question. The proposed language would not be acceptable for two reasons. First, the aid would already have been granted under the act at the time application of the penal provision—if we can describe it as such—was put into effect. Second, the Administrator exercises that authority now. By use of the proposed language, I would not desire to have it appear that we were limiting his authority specifically, because he exercises

broader authority now in his administration of the Housing and Home Finance Agency Act. As I have indicated earlier, so far as I know, that authority has not been tested. But we would not want to make it appear that we were placing any such limit on his authority. Therefore that language would not be acceptable. It was considered by the committee in that context, and the committee was not willing to accept it.

Mr. DOMINICK. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. It seems to me that the funds proposed in the bill would be protected because, as the Senator from Nevada has pointed out, the Administrator possesses discretionary power to deny assistance under the terms of the act. But I do not think we should give him a huge bludgeon to use on local transit authorities who may be seeking to revise their rates in an effort to stimulate more traffic. In the case of an increase in rates to produce more revenue, he might feel that such a raise in rates would result in reduced traffic to the extent that there would be less revenue. I do not believe we should give him a big bludgeon to use on communities which are trying to devise transportation plans.

Mr. DOMINICK. I thank the Senator from Texas.

I should like to point out one other feature of the bill. Under the "bond" section of the bill, on page 15, there appears a specific section which provides:

> That no provisions of this act shall be construed to authorize the Administrator to regulate in any manner the mode of operation of any mass rapid transit system or the rates, fares, tolls, rentals, or other charges fixed or prescribed by any State, local public body, or agency thereof.

That is in a wholly different section.

On page 13 of the bill there is exactly the opposite provision. In the next section the Administrator would be authorized, not actually to fix fees, but to use indirect pressure to arrive at the same result. That is a point we failed to recognize when that provision was originally inserted. So there is a conflict within the bill itself. I do not know what the eventual court interpretation of a provision of that kind might be. In any event, it seems to me that an amendment which would merely strike out the sentence on page 17 would be inadequate.

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

Mr. TOWER. Mr. President, I yield 10 minutes on the bill to the Senator from Colorado.

Mr. JAVITS. Mr. President, I was about to suggest that we be allotted a few minutes on the bill.

Mr. DOMINICK. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. I would appreciate it if the Senator in charge of the bill would hear me on this point. I ask him to consider the following proposed amendment:

> Thereafter, the Administrator may in his discretion refuse to extend any assistance under this or any other law administered by the Housing and Home Finance Agency (except pursuant to a commitment entered into prior to such notice) to finance in whole or in part any project to further the purposes of this Act to be undertaken in such area—

I should like to explain very briefly my reason for that proposal. What I am seeking to do is to limit the discretion of the Administrator to housing or any other project which has a relationship to the development of the mass transportation system. That is not a light matter, because a great portion of community facilities, housing, and so forth, could very well be tied in with the effort to create a viable mass transportation system. My aim would then be to give him the maximum latitude possible consistent with what he has a right to do, that is, with the assistance which is contemplated under his act. To leave it so that an Administrator could select a low-cost housing project perhaps 10 miles away, and say, "I am going to deny funds to that project because of the rate schedule," would offend my sense of the balance of statutory law and the kind of authority that we want to have administered. I make that suggestion only because the Senator invited me to see what I could suggest.

Mr. DOMINICK. I should like to have the Senator in charge of the bill answer the proposal on his own time. However, I should like to make some comments to the distinguished Senator from New York on the proposal. The proposal, as he said, would be a compromise, but still it would not eliminate the basic evil of the section, which is the indirect power which the existence of Federal spending programs in those areas would give to a person who would be about to determine whether or not assistance should or should not be given in that area.

The Administrator might retain power of the kind proposed for a period of 20 or 50 years, or whatever time it may be, or for as long as the project was conceived in its original form when the grant was given. Then, in effect, we would further federalize the country and put additional power into the hands of an Administrator to determine the future course of what is essentially local enterprise. I do not think the amendment of the Senator from New York would solve that particular problem.

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

Mr. DOMINICK. I yield.

Mr. JAVITS. I believe the amendment would confine the authority which would be given to the Housing and Home Finance Administrator and would further the purposes of the act. The act has a rather limited life. Projects under it similarly have a limited life. Therefore it would meet the valid objection that power in perpetuity should not be granted. I think it is an effort to give some sanction, without giving a sanction which is out of reason.

Mr. DOMINICK. I know that the Senator from New York is far too intelligent to believe that the measure would have a limited life if it were passed. We still have in effect emergency taxes enacted at the time of World War I. If the bill is passed, we know it would be in effect for many years to come.

Mr. JAVITS. It may or it may not. But at any rate, we could reach the provision again and could remove it if we so desired. If we should decide to continue the program, we would have the option to deal with that provision if, as, and when we decided to extend the measure and the punitive provision beyond the ambit of the act.

Mr. DOMINICK. Mr. President, I should like to ask one procedural question. If I leave the floor of the Senate now and the debate is concluded, at the time a vote is reached at 2 o'clock, will there be an opportunity to refresh the memories of Senators who will then be ready to vote on the pending question?

Mr. TOWER. Mr. President, I shall be glad to yield to the Senator from Colorado time on the bill for that purpose prior to the vote.

The PRESIDING OFFICER. The Senator from Colorado now has left 4 minutes of the 10 minutes yielded to him by the Senator from Texas on the bill. That 4 minutes could be used by the Senator from Colorado at 2 o'clock. Otherwise, the question of available time would depend upon whether the Senator from Texas would yield additional time to the Senator from Colorado.

Mr. DOMINICK. Then, if I may, I shall reserve the 4 minutes until 2 o'clock.

Mr. TOWER. Mr. President, I shall yield to the Senator from Colorado whatever time he needs.

Mr. DOMINICK. I thank the Senator.

Mr. SPARKMAN. Mr. President, I yield myself 2 minutes on the bill. I should like to have the attention of the Senator from Colorado as well as the Senator from Nevada. I wish very much that we could bring the debate on all the amendments to a conclusion so that we shall not open the debate again at 2 o'clock, or immediately prior to 2 o'clock, if that is possible. I was hopeful that whatever time remained when we finish the debate might be yielded back so that the vote would be the next step effective at 2 o'clock.

Mr. TOWER. Mr. President, it occurs to me that perhaps the Senator from Colorado could use his time immediately before 2 o'clock—say at 1:45 or 1:50.

It is a very difficult situation when Senators must come in to vote. one after another, without really getting an understanding.

Mr. SPARKMAN. Yes; it leaves the situation rather ragged to have amendments pending and not completed. However, I shall not raise any further question.

Mr. TOWER. I think raggedness is inherent in the situation when we debate this morning and vote this afternoon.

Mr. SPARKMAN. I agree. I shall not insist upon that.

Mr. CANNON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Nevada has 19 minutes remaining.

Mr. CANNON. I thank the Presiding Officer. I yield myself 4 minutes at this time.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. CANNON. I am happy to yield.

Mr. SPARKMAN. I listened to the exchange between the Senator from Nevada and the Senator from New York [Mr. JAVITS] with reference to changing the word "shall" to "may." I had to leave the Chamber for a few minutes, and I am not sure that that change was agreed upon.

I should like to have the Senator from New York listen to a suggestion. Instead of merely changing the word "shall" to "may", since it reads "shall not extend any assistance" or something to that effect—we might make a little change such as "may deny assistance to."

Mr. JAVITS. In his discretion?

Mr. SPARKMAN. Yes. It would have the same effect, but be smoother language.

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

Mr. CANNON. I yield.

Mr. JAVITS. I have been thinking through my own vote on this question. I believe I shall vote for the Dominick amendment; and I will tell Senators why. If we should strike out the language, we would leave Mr. Weaver with the discretion which he is now asserting. That is the way he is asserting it. I can vote for the Dominick amendment, instead of tinkering further with the language, and that will be the end of it.

I think there is something inimical to the spirit in which we generally write these bills. If the Administrator is asserting the authority, at least we can beat him over the head if he abuses his discretion. I think perhaps we should not write into the bill a discretion which the Administrator is now asserting, so I shall support the amendment.

Mr. CANNON. Mr. President, I yield myself 4 minutes from the 19 minutes remaining.

I was about to answer by saying that I could not accept the suggestion made by the Senator from New York, because of the language with respect to furthering the purposes of the act, shown on page 2 of the amendment in the nature of a substitute. That proposal would limit the discretionary authority specifically to the provisions of the act.

As a part of the overall bill the Congress is making certain determinations, "Findings and Purposes," as set forth in section 2. As our justification for enacting any legislation of this type we are saying, in section 2:

> That the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis.

This brings all these programs together as a part of the determination of the Congress as to the reason why we need to provide assistance. We should not turn around and say, "We are going to bring them all together—we are going to use a bad situation which may exist in these areas as a justification for passing the bill—but, when anyone presents a plan under the bill, if we should approve it and grant money, if the plan is not followed, and rates are reduced so as to produce an economically unsound operation, in the determination of the Administrator, we are not going to penalize him."

I cannot go along with that philosophy. That is exactly what the amendment of the Senator from Colorado would make possible. It would allow a public body to change the situation, after the Congress had made a specific determination that aid should be granted on the basis of a local public body needing the help, because of the justification which had been set forth—that certain rates would be charged which would be economically sound. Then, if they did not follow the purpose of having a plan which was economically sound, they could still get help and we would permit them to engage in an unsound operation, under the proposed change.

This language would provide some insurance. I point out that many of the local public transit bodies are governed, insofar as rate structures are concerned, by local commissioners or local city boards. Then it becomes a political matter. We would not wish to see a local governing body reduce rates for political or other reasons, if it would result in an economically unsound operation. We are trying to insure against that.

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

Mr. CANNON. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. The testimony given dealing with the purposes which are embraced in the introduction of the bill was rather uniform that inasmuch as the Federal Government went into metropolitan communities with housing, urban renewal, highway, and other federally aided programs, and created a condition of congestion and trouble, it now ought to help solve the problem which it created by the granting of financial aid in connection with what is called mass transportation. The reason for giving aid, if there is any reason, is that the Federal Government created the problem and the Federal Government ought to cure it.

The language as it is now written in the bill contemplates insuring that there will not be looseness in the management and operation of transit sytems. It proposes that when the guarantee is made the Administrator shall not make the grant unless there is some assurance that the transit system will operate on a sound fiscal basis. The entire committee felt that that was essential.

We should not allow the Administrator in his discretion to say, "You may reduce fares, you may endanger the fiscal structure of the transit company, and though we will reprimand you, you will in no way be punished."

The PRESIDING OFFICER. The time yielded by the Senator from Nevada has expired.

Mr. LAUSCHE. May I have 2 more minutes, please?

Mr. CANNON. I yield 2 additional minutes to the Senator from Ohio.

Mr. LAUSCHE. I think the bill as now written grants the Administrator powers too great. The bill now constitutes an abdication of congressional direction and action. To insert the word "may" or to strike this language from the bill would mean that the Administrator, whoever he might be, would become a czar. He could do whatever his mind told him to do.

I cannot subscribe to that policy. I think the language ought to remain in the bill.

Mr. CANNON. I thank the Senator for his comments.

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

Mr. CANNON. How much time does the Senator desire?

Mr. COOPER. Only a minute.

Mr. CANNON. I yield 1 minute to the Senator from Kentucky.

Mr. COOPER. I wish it to be clear at the beginning, so that my position will be known, that I do not intend to vote for the bill, but I wish to raise a question which might shed some light on the issue which is now before the Senate.

I believe that to provide a sanction against programs which are not connected with the transit program sets forth a wrong principle for any kind of legislation. I suggest that in section 13(a) the Administrator does not have a remedy. It provides that grants shall be made to meet deficits which cannot be reasonably financed from revenue.

I ask whether, under that section, it would be possible, if a rate were established which enlarged the deficit, for the Administrator to say, "I will not pay to you any larger grant than would be necessary under a proper rate structure"?

Would not that have the effect—and properly so—of inducing the transit company to provide proper rates? That seems to me to be the legal and proper and judicious way to approach the problem, under a contract relating to the mass transit program itself, and which would not reach out into other areas. I think the principle is bad.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. TOWER. How much time remains to the Senator from Nevada [Mr. CANNON]?

The PRESIDING OFFICER. The Senator from Nevada has 10 minutes left.

Mr. TOWER. I thank the Chair.

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

I say to the Senator from Kentucky, in reply, that section 13(a) now requires the local body to make a presentation of how much it can finance out of the fare box. The rest of the cost is called net project cost, which represents the portion which cannot be financed from revenues.

Those bodies may say, "This is what we propose to do." Then grants are made on the basis of the determination of what can be financed out of the fare

box and what will be the net project cost.

By subsection (c) we are saying as follows: If those bodies started today as they had represented they would, and then reduced rates so that the project was not economically sound, so that they could not get the correct proportionate part of the cost out of the fare box that they represented they would get, the Government would withhold assistance under the HHFA, so far as those public bodies are concerned, until corrective action was taken. That, in a nutshell, is what the provision does.

I reserve the remainder of my time.

Mr. TOWER. Mr. President, the yeas and nays having been ordered on this amendment, I ask unanimous consent that the vote be taken at 2 p.m. I have consulted the majority and minority leaders with relation to this request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. I ask whether or not the Senator from Texas would include as a part of his request that I may use the 10 minutes I have remaining immediately prior to 2 p.m., starting at 1:50 p.m.

Mr. TOWER. Mr. President, I have no objection. I do not think any consent agreement is necessary for that.

I am sure that the Senator in charge of the bill, and I as manager of the opposition, will be glad to cooperate with the Senator in seeking recognition immediately prior to 2 o'clock.

The PRESIDING OFFICER. Unanimous consent is not necessary. The only unanimous-consent request is that no vote take place before 2 o'clock. Whatever transpires before 2 o'clock depends on how much time remains to Senators controlling the time on the bill.

Mr. TOWER. I will cooperate with Senators who wish to continue the debate prior to 2 o'clock.

Mr. SPARKMAN. Mr. President, I will join in that cooperation.

Mr. TOWER. The unanimous-consent request I have propounded is that the vote be set for 2 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered.

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

The PRESIDING OFFICER. Does the Senator from Texas realize that the time to be taken in having a quorum call will come out of his time?

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed in the quorum call be not charged against my time on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SPARKMAN. Mr. President, I send to the desk certain technical amendments. I ask unanimous consent that they may be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The amendments will be stated.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the amendments be not read, but that they be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The proposed amendments are as follows:

On page 25, between lines 12 and 13, insert the following:

"(g) The first sentence of section 814 of the Housing Act of 1954, as amended (42 U.S.C. 1434), is amended by—

"(1) inserting after 'grant,', the first place it appears, the following: 'guaranteed revenue bond issue,';

"(2) inserting after 'grant,', the second place it appears, the following: 'guaranteed revenue bond issue (including the revenues from which the bonded indebtedness is to be repaid),'; and

"(3) inserting after 'grant,', the third place it appears, the following: 'guaranteed revenue bond issue,'."

On page 9, line 3, after "contracts" insert "of guarantee".

On page 14, line 20, after "Act" insert "relating to the guarantee of revenue bonds".

On page 15, line 1, after "with" insert "the guarantee of revenue bonds under".

On page 22, line 17, strike out "Funds" and insert "Subject to the provisions of section 10, funds".

On page 4, line 22, insert "(b)" before "No".

On page 5, lines 24 and 25, strike out "grant or loan shall be made under this section" and insert "Federal assistance shall be extended under this Act".

On page 6, line 12, strike out "7(b)" and insert "16(b)".

On page 7, line 4, strike out "3(c)" and insert "3(d)".

On page 16, line 25, strike out "364B of the Revised Statutes" and insert "3648 of the Revised Statutes (31 U.S.C. 529)".

On page 17, line 9, strike out "with respect to such project" and insert "while any revenue obligations issued to finance the project are outstanding".

On page 18, line 3, strike out "4(a)" and insert "4".

On page 18, line 11, strike out "4(a)" and insert "4".

On page 22, line 24, strike out "or grant" and insert "grant, or guarantee".

On page 24, line 15, strike out "7(b)" and insert "16(b)".

On page 24, line 20, strike out "4(b)" and insert "13(b)".

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from Alabama [Mr. SPARKMAN].

The amendments were agreed to.

Mr. LAUSCHE. Mr. President, I understand these are technical amendments.

Mr. SPARKMAN. These are the purely technical amendments; yes.

Mr. LAUSCHE. Mr. President, I offer my amendment No. 17.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, and that it may be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 3, line 12, insert the following:

"ESTABLISHMENT OF DIVISION OF URBAN TRANSPORTATION

"SEC. 3. (a) There is hereby established in the Office of the Under Secretary of Commerce for Transportation a Division of Urban Transportation.

"(b) The Under Secretary of Commerce, acting through the Division of Urban Transportation, shall—

"(1) assist in the development of overall policy recommendations with respect to Federal urban transportation programs and activities;

"(2) assist in the development of means for achieving a greater coordination in the administration of Federal urban transportation programs and activities;

"(3) undertake a program of continuing research and planning, in cooperation with private industry, the National Academy of Sciences, and other research organizations, for the development of urban transportation equipment and systems to meet present and future needs, such research to include studies relating to the financial, legal, employment, and social problems, as well as the technical aspects, of urban transportation matters; and

"(4) perform such other functions relating to urban transportation as the Secretary of Commerce may, from time to time, prescribe.

"TRANSFER OF FUNCTIONS

"SEC. 4. (a) There are hereby transferred to the Secretary of Commerce all of the functions, powers, and duties of the Housing and Home Finance Administrator, (1) under section 103(b) of the Housing Act of 1949 with respect to the mass transportation demonstration grant program, and (2) under title II of the Housing Amendments of 1955 with respect to the mass transportation loan program.

"(b) All assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by this section are hereby transferred with such functions, powers, and duties.

"EVALUATION OF PROGRAMS

"SEC. 5. The Secretary of Commerce shall, in undertaking the functions, powers, and duties transferred to him by section 102, evaluate (1) the results of any project approved for assistance prior to such transfer under the mass transportation demonstration grant program, and (2) the effectiveness of the mass transportation loan program as it exists on the date of such transfer. The Secretary shall submit his findings to the Congress, together with his recommendations with respect to the expansion or discontinuance of such programs, at the earliest practicable date."

Mr. LAUSCHE. Mr. President, the amendment, if adopted, would transfer the administration of the business contemplated by S. 6 from the Housing and Home Finance Administrator to the Department of Commerce.

Under the existing situation, the Department of Commerce has the primary responsibility in administering the Federal highway program. In 1950 Congress enacted a law directing the Secretary of Commerce, through the Division of Highways, to make a study of urban transportation in cities having a population of more than 50,000. That law is now on the books. I assume that the Secretary of Commerce is performing his duty in making that study.

We now have the very injudicious situation of two departments of Government dealing with highways and transportation in cities, namely, HHFA and the Department of Commerce.

Through the years the Department of Commerce has been in charge of Federal activities dealing with highways. In the approximately 18 years that I have been connected with city, State, and Federal governments, I have heard the argument made about the duplication of work and the unjustified expense involved. In this situation there is definitely a duplication of work. Under existing law, directions are given to the Department of Commerce and to the Housing and Home Finance Administrator to coordinate their efforts. I have been in the Government long enough to know that there is always the jealous purpose in every branch, division, and department to preserve for itself what has been initially assigned to it. I believe that leads to expense, and that it ought not to be countenanced when, by the simple enactment of a law, all the activities dealing with one subject can be placed in one centralized division.

Mr. President, I shall not speak further on my amendment, but will make some remarks dealing with the bill now pending before us. I shall want to discuss the genealogy of the bill, its inception, its birth, its subsequent mutations, and the form in which it comes before the Senate today.

The initial thought about subsidized railroads came to the Interstate and Foreign Commerce Committee in 1958, when studies were made of the plight of the railroads. That study cost more than $350,000. It was conducted for a protracted period of time. Labor leaders, railroad presidents, and shippers came before the committee and gave their testimony about the difficulties that the railroads were having in surviving and competing with truckers, inland water carriers, and airplanes, industries which were subsidized.

The railroad operators uniformly objected to subsidies. Two of them argued that subsidies ought to be given to the railroads. One was the president of the Pennsylvania Railroad Co., Mr. Symes; the other was the then president of the New York, New Haven & Hartford Railroad Co.

At the conclusion of those hearings, held in 1958, the decision was unanimous that the Government should not enter into the subsidy program of the railroad system. It was at that hearing that this thought was conceived, and the question of how the railroads might be helped was considered in various forms.

In 1959 the Interstate Commerce Commission had a case pending before it in which it had to make a recommendation as to how the railroads of our country might be given aid. I read from page 4 of the opinion filed on May 18, 1959, by the Interstate Commerce Commission.

It recommended, first, that the 10 percent Federal excise tax on passenger fares be repealed. That has been done.

Second, that Federal tax laws be amended to encourage local and State relief, at least to the extent of disregarding State and locally provided pretax net income for Federal tax purposes.

Third, that State and local governments take such steps as may be required to effect a greater degree of equity with respect to tax burdens on railroad property in relation to taxpayers generally, and consistent with the desire of their communities for retention of commuter and other passenger train service.

Fourth, that where the railroads were unable to operate a particular local or commuter service at a profit, and where such service is essential to the community or community served, steps be taken by State or local authorities, or both, to provide this service, paying the carrier the cost plus a reasonable profit.

That was in 1959. I shall later discuss how and to what extent that program was implemented.

On January 20, 1961, the Senate Committee on Interstate and Foreign Commerce likewise conducted a study of the problem of mass transportation in the large communities. On page 6 of the report, known as "Commuter Transportation," these recommendations were made:

> The Federal Government should make available at the lowest possible interest the capital funds necessary to save and improve commuter rail service. This would be less burden on the taxpayer than providing alternative commuter facilities. The investment should be used as a lever to move the railroads toward a modern and efficient commuter rail system.

Another recommendation, identified as recommendation No. 25, states:

> Should the state and local governments grant tax concessions to the railroads, recommended below, the Federal Government should not dilute the concessions by maintaining full income taxes on the railroad corporations.

Recommendation No. 27 stated:

> State and local governments have already demonstrated their recognition that they have a stake in maintaining service on the commuter rail lines. It should be their responsibility to recommend the level of fares, to set standards of frequency of service, to determine the type and location of passenger stations, and to make up any operating deficits. The railroads should be relieved of real property taxes on commuter service.

Subsequent to that study and those recommendations, there was created by the Senate a Committee on Special Study of Transportation Policies in the United States. The report filed with that committee was known as the Doyle report. It was filed on December 29, 1960. It studied and dealt with commuter service. It did not recommend subsidies.

Thus, until December 29, 1960, four studies were made and completed, not one of them recommending subsidies either to the mass transportation systems or to the railroads.

On February 16, 1960, the following persons came to Washington in a body: Hon. Raymond R. Tucker, mayor of St. Louis, Mo.; Hon. Richardson Dilworth, mayor of Philadelphia, Pa.; Hon. Robert F. Wagner, mayor of New York; Gov. David Lawrence, of Pennsylvania; Hon. Anthony Celebrezze, mayor of Cleveland; Mr. James M. Symes, president of the Pennsylvania Railroad; and Mr. George Alpert, president of the New York, New Haven & Hartford Railroad.

I shall read what was said by those men in their appearance before the Committee on Interstate and Foreign Commerce. Mr. Tucker initiated the discussion. After telling of the supposed plight of the railroads, he made this statement, speaking for the mayors of the United States:

> We have a program consisting of four points, and they are: First, that a national policy should be established by the Congress for a balanced, coordinated transportation system.
>
> Second, that Federal, State, and local governments be asked to develop rational tax policies for the railroads.
>
> Third, that Federal loans be made available, where necessary, to municipalities or publicly constituted bodies for new commuter equipment and improved facilities, and for the improvement of intracity mass passenger transportation facilities, these to be long-term, low-interest loans.
>
> Fourth, that a study be made of grants-in-aid by the Federal Government to the communities or duly constituted public bodies which have a sound plan for the permanent improvement of commuter or other intracity transportational facilities, this to be modeled on the present urban renewal program.

Hon. Anthony J. Celebrezze, then the mayor of Cleveland, now the Secretary of Health, Education, and Welfare, testified as follows:

> We are not coming here asking for direct subsidies. All we are saying under the bill that we propose or will present is to set up some sort of lending agency where we can borrow money over long terms to maintain commuters to extend the present transit facilities.

Also testifying, as I indicated yesterday, was Mr. George Alpert, president of the New York, New Haven & Hartford Railroad. In my judgment, Mr. Alpert gave some amazing testimony dealing with the unwillingness of local governments to try to help to solve their own difficulties. He testified:

> The municipalities find it difficult, some of them, to do a great deal for us. Take taxation, for example. The city of Boston taxes us to the queen's taste. Our south station, one of the two terminals in Boston, is assessed at $12,200,000. It was built in 1897 for about $15 million; and here, 60 years later, it is still assessed for $12,200,000, which is supposed to be its fair value.
>
> The fact that we have been trying for 3 years to get somebody to buy it for $4 million does not seem to be relevant. But it is assessed for $12,200,000.
>
> This is a statement that I know you will find hard to believe: Our tax rate in Boston is $101.20 per thousand dollars.
>
> So on an assessment of 300 percent of value, at the rate of $101 a thousand, this is confiscatory. We are spending so much money on taxes that we have to make a loan,

and most of that is used for commuter services. If Boston were not in such deplorable condition, we might apply to Boston for help on taxes. As a matter of fact, I have applied to Boston, and I have received no satisfaction at all. I received a little satisfaction from the New York mayor, but not an awful lot.

Mr. President, these are the five documents that constitute the preliminary to the adoption of the program in 1961. What was that program? $12,500,000 to make studies of mass transportation; $30 million to make loans. Both of these provisions were in conformity with the recommendations made by the mayors, by the Governor of Pennsylvania, and by Mr. Symes and by Mr. Alpert. The $30 million available for loans has been available for about 2 years. $11 million has been borrowed under that authority; $19 million has been unused; and we have the interesting spectacle—which I described yesterday—of communities not wanting to borrow, because word came from Washington, "Instead of borrowing, wait, and we will give you the money for nothing."

Two instances referred to in the testimony show that minds were changed, that delaying tactics were adopted against borrowing, because they were waiting to see what Congress would do on the grant program.

In the city of Cleveland, they were ready to extend the rapid transit system a distance of about 5 miles, I believe. They adopted the resolution to proceed. The taxpayers voted certain assessments and authorized certain highway changes for the rapid transit. The initial vote was 3 to 2 in favor of having Cleveland do that on its own. Then came the word that the money would come from Washington, as a gift. So a meeting was called and the vote was changed—this time, 3 to 2 not to go forward with the project. One of the members of the board said, "If we can get this money for nothing, why should we spend our own?"

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

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. I understand that the Senator's point is that it is essential to maintain local initiative and local enterprise, in order to make this improvement; and that if there is a straight Federal grant, local enterprise will wait for the grant to be made. Do I correctly understand the point the Senator is making?

Mr. LAUSCHE. Yes, that is exactly what I have in mind.

Mr. SALTONSTALL. I further understand that the Senator from Ohio is addressing his remarks to the amendment to change the administration from the HHFA to the Department of Commerce. Is that correct?

Mr. LAUSCHE. Yes.

Mr. SALTONSTALL. I also understand that the Senator from Ohio favors that because the Maritime Administration and the Bureau of Roads are under the Department of Commerce, and because he believes this to be really a Department of Commerce matter, rather than a Housing Administration matter.

Mr. LAUSCHE. Yes, definitely.

Mr. SALTONSTALL. And, further, that if it is handled under the Department of Commerce, its various agencies and commissions will be working on this whole transportation problem, rather than to use an outside agency.

Mr. LAUSCHE. That is correct.

Mr. SALTONSTALL. I understand that the other point the Senator from Ohio is making is that local initiative must be retained if local transportation is to be kept moving.

Mr. LAUSCHE. Yes.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield for a question.

Mr. WILLIAMS of New Jersey. I understand that the bill as approved by the Commerce Committee requires that before any grant or loan is made, the application must be considered under the guarantee provisions.

Mr. LAUSCHE. Yes.

Mr. WILLIAMS of New Jersey. And that the loan or grant would be made only if a guarantee is not possible under this legislation.

Mr. LAUSCHE. I respect the Senator's judgment as to that.

Mr. WILLIAMS of New Jersey. I have asked that question.

Mr. LAUSCHE. I know the language that is used in the bill; but it is written so loosely that the net result would be grants, and only grants. I shall be glad to discuss this point when we reach the major part of the bill.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Ohio yield for a further question?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of New Jersey. Is not the guarantee program proposed by the Commerce Committee tailored after the one proposed by the Senator from Ohio?

Mr. LAUSCHE. Yes, substantially.

Mr. WILLIAMS of New Jersey. I trust that that is not the part the Senator from Ohio suggests is loosely drawn.

Mr. LAUSCHE. I did not participate in its preparation. The provision that he shall require the doing of certain things compatible with the fiscal ability of the local government means nothing. I shall discuss that later. Those are mere words; they are balderdash.

Mr. President, to proceed with my argument, let me say that in the HHFA is a Mr. Cole, the Deputy Administrator. In dealing with the loan program, I questioned him. I asked him, "Was $30 million appropriated for loans?"

He replied, "Yes."

Then I asked how much of the $30 million had been borrowed.

He mentioned two loans, aggregating $11 million, leaving $19 million unused.

I said, "Did you have any other applications?"

I believe he answered, "Thirteen. A number of them were ineligible."

I said, "What has happened to those that were possibly eligible?" He said, "They are lying dead." I said, "Why?"

His answer was that when the grant program was mentioned, all applications came to an end.

I regret to say that our dignified U.S. Congress, in whose Chambers have stood heroes who have spoken for their country, is more and more—and tragically—being used in such a manner as to corrupt the morals of the people of our Nation.

The willingness of people to be self-sustaining, independent, and desirous of solving their own problems back home will be destroyed. I wonder how strong our country will be, regardless of our military posture, if, as a result of what we do in Washington, the character of the people is bereft of those attributes which made our ancestors strong and vigorous, willing to fight and willing to take care of themselves.

I want to be elected. But I do not wish to be elected on the basis of buying votes. The present proposal is nothing more than a vote-buying device.

Later I shall discuss the source of the pressure and the urging that has been applied to procure adoption of the proposed subsidy program. If Senators will read the evidence taken before the Committee on Banking and Currency, they will observe that those who testified are the ones who would profit by the bill. They include the Pennsylvania Railroad and the New York, New Haven, and Hartford Railroad.

Labor leaders opposed the measure until they were yielded what they desired. Nowhere in the bill is there assurance that the rank and file of the Nation desire the bill passed.

A rather astounding situation exists.

The PRESIDING OFFICER (Mr. BAYH in the chair). The Chair has been advised by the Parliamentarian that the Senator from Ohio has utilized his available time.

Mr. LAUSCHE. May I have 10 minutes on the bill?

Mr. TOWER. Mr. President, I yield 10 minutes on the bill to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. Much has been said about the many communities throughout the United States which, in the past 5 years, have lost their transportation service. Ohio is identified as a State in which communities have been denied service. A very strange situation exists.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question, or would he prefer to continue?

Mr. LAUSCHE. I yield for one question.

Mr. SALTONSTALL. Does the Senator take the position that if these grants are made, ultimately the Federal Government, through the Commerce Department or through the Housing Agency, will determine how railroads shall be operated, and ultimately the direction will lead to Government ownership of the various commuting lines? Does he go that far?

Mr. LAUSCHE. I predict that the bill is the beginning of the nationalization of the railroads. If we start subsidizing, we shall have gone a considerable distance in the direction of final nationalization. That is one of the reasons why I am opposed to the grant. I have heard words spoken by the leaders of the railroad unions to the effect that unless certain things are done, nationalization will be urged.

When that occurs, we had better quit talking about the glory of the flag that flies over our country and the heroics of our men who made possible the life that we now enjoy.

Returning to my previous point, two of the systems that have been abandoned were in Cleveland. It was said that 497 systems had been abandoned. I looked up the Ohio situation. There may be three; there are at least two. Those systems were purchased by the Cleveland Metropolitan Transit System. As the hearings state, they were sold and closed down. In Lakewood and in Parma the bus operators sold to the city of Cleveland. The system in Marion, Ohio, is mentioned as having been sold, but it is operating.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield at that point?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of New Jersey. I wonder if the Senator can tell us why the private operators sold their companies to public authority?

Mr. LAUSCHE. They sold their system to the public authority. I cannot answer why, but I will say that they could not operate.

Mr. WILLIAMS of New Jersey. Why?

Mr. LAUSCHE. Automobiles have come into existence. With due respect to the Senator from New Jersey, neither he nor I nor the Congress will change the habits of the people.

I use my automobile. Countless thousands of others use their automobiles. In Chicago, the Northwestern Railroad spent millions of dollars to install modern equipment. It attracted passengers. Then the State built a parallel highway, and with the same speed that motorists left the highways and went to the trains, they left the trains and went back to the highways.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield at that point?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of New Jersey. I should like to observe that Mr. Robert Jenney of the Jenney Oil Co., testifying on the bill before the Committee on Banking and Currency, is a man whose livelihood is bound up with gasoline and automobiles. He said, "The automobile will take care of itself. We have to have balance in transportation. We need the bill to improve mass transportation."

Mr. LAUSCHE. My favorite answer to that statement is, Why should the Federal Government subsidize mass transportation? Do we not already have a backbreaking responsibility in doing the things which the Federal Government must do in the maintenance of our national defense?

What makes these men in the Senate, supposedly of infinite wisdom, think that the Federal Treasury can do the financing and that therefore the local governments and State governments ought to be spared the responsibility?

At the risk of being a bit harsh, I wish to say that is another one of the deceptions which is being practiced. We are asked to tell the people of this Nation, "The Federal Government has no financial responsibilities. It has the money which is needed."

That is not true, Mr. President. State after State is in a better position financially to do the job than the Federal Government. Yet, putting a blindfold on the eyes of the people, we are asked to say to them, "Come to us. We will give you the money. You will not have to pay any taxes. We will deal with you with abundance and generosity."

Mr. President, subsequently, with respect to other amendments, I shall speak at greater length on this subject. In closing this thought, I wish to invite the attention of the Senate to what was done in Canada on an underground railroad which is now being built. Bonds were issued, in a multimillion-dollar project, and those bonds were guaranteed by the local government.

I am willing to go along on a bond guarantee program in the Senate. I am not willing to go along on the gift proposition.

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

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The Senator's last statement is based on the fact that he believes a grant would destroy local initiative and local undertaking to such a degree that the grant itself would turn the operation of the railroad over to the Federal Government, ultimately.

Mr. LAUSCHE. The Senator from Massachusetts is completely correct in his interpretation of my understanding of what would happen. Local people, private companies, governmentally operated companies would quit trying to solve their own problems and would depend upon Washington to do so. I think that is wrong. I am quite certain the Senator from Massachusetts, since I know his thinking, will agree with me on that subject.

Mr. SALTONSTALL. I have one other question. If the bill does pass—whether a guarantee bill or a grant bill—the purpose of the amendment which the Senator has offered is to make the Federal Government carry out its obligations more efficiently, is it?

Mr. LAUSCHE. The Senator is correct.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of New Jersey. What is the Senator's understanding of the grant program under the bill and the amount of local contribution which would have to be made before there would be a Federal grant?

Mr. LAUSCHE. The bill provides for a study as to what extent the local people can finance the project. Then I think that part which they could not finance would be known as the net project cost, which would become eligible for a grant at the rate of 2 to 1, $2 of Federal money for $1 of local money.

Mr. WILLIAMS of New Jersey. To the net project cost there would be a one-third local contribution, and in addition there would be a fare-box contribution. Is that correct?

Mr. LAUSCHE. That is correct.

Mr. WILLIAMS of New Jersey. As I understand the guarantee provision as it appears in the substitute, the guarantee would run to 75 percent of the loan, and 25 percent would have to be taken care of locally, through local initiative.

Mr. LAUSCHE. Does the Senator refer to the committee bill?

Mr. WILLIAMS of New Jersey. To the amendment in the nature of a substitute.

Mr. LAUSCHE. The Senator is correct.

Mr. WILLIAMS of New Jersey. Will the Senator tell me what that would be in his guarantee proposal?

Mr. LAUSCHE. It is to be a full guarantee.

Mr. WILLIAMS of New Jersey. A full guarantee, with no local contribution?

Mr. LAUSCHE. That is correct.

The PRESIDING OFFICER. The time yielded by the Senator from Ohio has expired.

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

Mr. TOWER. Mr. President, I ask unanimous consent that the time necessary for the call of the roll not be charged against either side.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

INVESTIGATION OF SECURITIES MARKETS

During the delivery of Mr. LAUSCHE'S speech:

The PRESIDING OFFICER (Mr. RIBICOFF in the chair) laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a preliminary report of a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations, which, with the accompanying report, was referred to the Committee on Banking and Currency.

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.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Cora M. Smith to be postmaster at Lost Creek, W. Va., which nominating messages were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

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

H.R. 1230. An act for the relief of Nicholas E. Villareal;

H.R. 1535. An act to amend section 2 of Private Law 87-673;

H.R. 1544. An act to authorize David H. Forman and Julia Forman to bring suit against the United States to determine title to certain lands in Maricopa County, Ariz.;

H.R. 2291. An act regarding a homestead entry of Lewis S. Cass;

H.R. 2294. An act to authorize the Secretary of the Interior to convey certain land situated in the vicinity of Unalakleet, Alaska, to Mrs. William E. Beltz;

H.R. 3626. An act for the relief of Ronnie E. Hunter; and

H.R. 5279. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

HOUSE BILLS REFERRED

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

H.R. 1230. An act for the relief of Nicholas E. Villareal;

H.R. 1535. An act to amend section 2 of Private Law 87-673; and

H.R. 3626. An act for the relief of Ronnie E. Hunter; to the Committee on the Judiciary.

H.R. 1544. An act to authorize David H. Forman and Julia Forman to bring suit against the United States to determine title to certain lands in Maricopa County, Ariz.;

H.R. 2291. An act regarding a homestead entry of Lewis S. Cass; and

H.R. 2294. An act to authorize the Secretary of the Interior to convey certain land situated in the vicinity of Unalakleet, Alaska, to Mrs. William E. Beltz; to the Committee on Interior and Insular Affairs.

H.R. 5279. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1964, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H.R. 4374. An act to proclaim Sir Winston Churchill an honorary citizen of the United States of America; and

H.J. Res. 282. Joint resolution designating the 6-day period beginning April 15, 1963, as "National Harmony Week," and for other purposes.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. TOWER. Mr. President, it is my understanding that the Senator from New Jersey would like to make some response to the Senator from Ohio, after which time I will call up my amendment.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. TOWER. I yield to the Senator from New York.

Mr. JAVITS. I wish to suggest to the Senator that I have a matter of interpretation of the bill. We are waiting to hear from the Senator from Nevada [Mr. CANNON]. If we do hear from him, I wonder whether the Senator would accommodate me before we get into the vote at 2 o'clock, at some time before then.

Mr. TOWER. I am sure that can be arranged.

Mr. WILLIAMS of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS of New Jersey. What is the pending business?

The PRESIDING OFFICER. The pending amendment is the Lausche amendment No. 17.

Mr. WILLIAMS of New Jersey. What is the time situation with respect to that amendment?

The PRESIDING OFFICER. The proponent of the amendment has used all his time. The opposition has 30 minutes remaining.

Mr. WILLIAMS of New Jersey. How much time has been used under the 4-hour limitation on the the bill itself?

The PRESIDING OFFICER. The proponents of the bill have used 4 minutes; the opponents have used 14 minutes.

Mr. WILLIAMS of New Jersey. I wonder if I could inquire of the Senator from Ohio whether it is his intention to remain on the floor for the next few minutes.

Mr. LAUSCHE. Yes.

Mr. WILLIAMS of New Jersey. I wish to speak briefly now to the amendment offered by the Senator from Ohio, amendment No. 17, which, as I understand, would create in the Department of Commerce a Division of Urban Transportation.

Mr. LAUSCHE. The measure speaks for itself.

Mr. WILLIAMS of New Jersey. The amendment provides:

> There is hereby established in the Office of the Under Secretary of Commerce for Transportation a Division of Urban Transportation.

I do inquire of the Senator, as the author of the amendment and as the proponent of the establishment of a Division of Urban Transportation, what he envisions in terms of the bureaucracy that would be set up and how large a Division of Transportation would be set up, and how many new employees would be required to man the division, and how big this part of Government would have to be to undertake the broad purposes of the Senator's amendment.

Mr. LAUSCHE. In the Department of Commerce there is already a Division dealing with transportation. The fact is that in the Department of Commerce there are divisions dealing with every one of the modes of transportation; that is, pipeline, truck line, railroad, rail line, inland waterway, and so forth. This Division would be established in the Department, and most of the personnel which it now has could be coordinated into doing this one job. We could definitely, in my opinion, streamline this matter better by having all of the functions in one department than by having them in two departments.

Let us see what I have in mind. The 1962 measure directing the Department of Commerce to make a study of mass transportation in cities of 50,000 or more demonstrates that the general intent of the Senate is that that ought to be in the Department of Commerce. I cannot agree with the Senator from New Jersey that by keeping it in HHFA we would economize. It would be better to put all of the Department of Commerce in HHFA, or all of HHFA activities on transportation into Commerce. One or the other ought to be done.

Mr. WILLIAMS of New Jersey. Is the Senator suggesting that the present staff, the personnel, now employed by the Department of Commerce would be adequate to staff the newly proposed provision of urban transportation?

Mr. LAUSCHE. I cannot answer that question, any more than the Senator from New Jersey can say that HHFA would not need additional employees.

Mr. WILLIAMS of New Jersey. I should like to deal with that. We have now existing a mass transportation program administered by the Housing and Home Finance Agency. The Agency administering this existing program has been able to capably administer the existing program, with not a division, not a battalion, not a regiment, but an office of transportation. It is my understanding that there are employees there, perhaps 20, but I believe less than 20. I would suggest to my friend, who is so admirably prudent with the taxpayer's dollar, that I believe we can approach this really national problem far better than he suggests with a new Division of Urban Transportation in the Department of Commerce.

Mr. LAUSCHE. I believe that the Secretary of Commerce Mr. Hodges, if he is given a free hand, and if he will exercise his authority, will do the job with less money than it will be done with by HHFA. For myself I say to the Senator that if I were in charge, we would not have added 170,000 more employees to the payroll in the last 2 years.

Mr. WILLIAMS of New Jersey. The Senator is not talking about HHFA now, is he?

Mr. LAUSCHE. No.

Mr. WILLIAMS of New Jersey. The Senator is talking about the entire Federal establishment.

Mr. LAUSCHE. That is correct.

Mr. WILLIAMS of New Jersey. That is not germane to our issue here. Let me ask the able Senator from Ohio whether he would not agree that an agency that has spent the money and time and the effort and has recruited a staff, and whose staff has spent its energies and time in acquainting itself with

the problem, and has coordinated experience in the problems we are dealing with here should not be told that we will scrap all that experience and all that time which represents so much energy and money. The Senator would not advocate such a course, would he?

Mr. LAUSCHE. Where is the experience? I can enumerate the transactions they have had. They have loaned $7 million to one institution, and $3½ million to another, and they have engaged, I believe, in five studies. Where is the experience that HHFA has had on this transportation problem?

Mr. WILLIAMS of New Jersey. Let me advise the Senator that since we enacted the program in 1961, there have been in this transportation area 250 applications or serious inquiries made of the agency, and 44 States are represented in these 250 applications. They have had to look at these and evaluate them and study them. I would call dealing with 44 applications, experience.

Mr. LAUSCHE. I wish to identify what they have done by way of work. They have engaged, since March 29, 1962, five agencies to make studies: the City of Detroit, the University of Washington, the Mass Transportation Commission of the State of Massachusetts, the Southeasterly Compact in Pennsylvania, the City of Memphis, and tristate transportation—New York, New Jersey, and Connecticut.

In addition to that, they have made two loans, one of $7 million and one of $3½ million. They have received 280 letters asking when the money would be available.

Humbly I say that I employ in my office two girls who could answer all those letters in 3 days.

Mr. WILLIAMS of New Jersey. I am sure the Senator would be the first to condemn the agency if it did not carefully evaluate the programs and applications submitted to it, and also to make a record, perhaps, of the accomplishments, for Congress to consider, willy-nilly, the number of applications.

Mr. LAUSCHE. The bureau in the Department of Commerce which deals with highways has been in existence for many years. It has dealt with townships, counties, cities, and States. It is their job to deal with transportation. This is a new undertaking in the HHFA—completely new, less than 2 years old.

Mr. WILLIAMS of New Jersey. Mr. Whitten, the Administrator of the public highway program, testified in favor of the urban transportation bill. I know the Senator from Ohio desires to see greater coordination in transportation. Both Dr. Weaver and Mr. Whitten testified that they now have achieved the closest working relationship.

I believe the Senator would have to agree that not only must coordination be within the area of transportation, but that mass transportation must be coordinated with all the other programs in the urban area of which the Federal Government is a sponsor and makes a large measure of contribution.

Mr. LAUSCHE. I am glad the Senator has answered that question, because Mr. Whitten has made that statement. He testified, and there was a close examination of his testimony before the Committee on Banking and Currency, of which the distinguished Senator from New Jersey is a member, and before the Committee on Commerce. He at least implied that before we begin to spend any new tax money on mass transportation, we ought to wait until the highway program is completed. He pointed out that a meager percentage of the city highway program has been completed; therefore, we do not know to what extent the transportation problem will be solved.

I have the highest regard for Mr. Whitten. I venture to say that if he were asked in private, he would say confidentially that the programs ought to be handled together, not in separate departments.

Mr. WILLIAMS of New Jersey. I should think that if a man testifies at a hearing before Congress and says one thing, it is really treading on thin ice to suggest that he is thinking something else. I suggest that I do not see how the Senator can ascribe to a man thoughts which are different from those which he expresses.

Mr. LAUSCHE. The Senator has seen it happen; I have seen it happen. It is happening every day.

I am aware of one man who appeared before our committee 2 weeks ago and testified that after a decision was made, he was asked to subscribe his name to the document approving the decision, and he regretted that he did so.

Mr. WILLIAMS of New Jersey. That has nothing to do with the bill under consideration.

Mr. LAUSCHE. The principle is involved.

Mr. WILLIAMS of New Jersey. On the point of creating a new bureau in the Department of Commerce and taking the present program away from experienced personnel in the HHFA and transferring them to the Department of Commerce, or from the Agency that can relate transportation in the urban areas to community facilities, to urban renewal, to the Federal housing, to public housing, and all the other housing programs, it seems to me that to do so would be unwise, indeed. Not only would it be uneconomical, it would be administratively dividing what is one; and the oneness of this is that in urban areas all Federal programs have a relationship one to the other.

If these programs are now administered by the Housing and Home Finance Agency, as they are, it would be a desperate mistake to take from them the opportunity to weave the circulatory system of transportation system into other urban areas concerned.

Mr. President, so that we will be on a parity in terms of time, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. TOWER. Mr. President, I ask unanimous consent that the vote on the Lausche amendment be postponed until a time subsequent to the vote on the Dominick amendment.

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

AUTHORIZATION FOR CHANGE IN ENROLLMENT OF SENATE BILL 1035

Mr. WILLIAMS of New Jersey. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], I submit a concurrent resolution authorizing a change in the enrollment of S. 1035, relating to dual rate contracts, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The LEGISLATIVE CLERK read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate is authorized and directed, in the enrollment of the bill (S. 1035) to extend the provisions of section 3 of Public Law 87-346, relating to dual rate contracts, to make the following correction: viz on line 4, change "76 Stat." to "75 Stat.".

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 36) was agreed to.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. TOWER. Mr. President, I call up my amendment No. 15 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 15, it is proposed to strike out lines 1 through 6, and insert in lieu thereof the following:

(4) the term "urban area" means any urbanized area according to the most recent available classification of the Bureau of the Census; and

Mr. TOWER. Mr. President, it is my considered opinion that the whole bill is loosely drawn. One of the most ambiguous aspects of it is the section which defines terms. I have always been very much opposed to leaving too much to the arbitrary will, whim, and discretion of one man. We should state our definitions as comprehensibly and precisely as possible, so that the intent of Congress will be clear.

Under the terms of the bill—and I am reading directly from the bill—

The term "urban area" means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth.

To me, that sounds vague and ambiguous. Under that language, the administrator could declare almost anything to be an urban area. I am really intrigued by the term "built-up place." If that is

not a jerry-built word, I have never heard one. What is a "built-up place"?

If one has visited the King Ranch, in my State, he has seen the ranch headquarters, which comprise a cluster of buildings, houses, barns, and other structures. That is a built-up place. However, I do not believe the owners of the King Ranch desire to qualify under the terms of the bill for mass transportation aid. In any case, any crossroads could be determined to be an urban area for the purpose of qualifying as an applicant for assistance under the terms of the bill.

My amendment is a simple one. It prescribes a definition:

The term "urban area" means any urbanized area according to the most recent available classification of the Bureau of the Census.

The Bureau of the Census is a Federal bureau. It has been in the business of defining terms for a long time. I know that a number of Senators have been somewhat curious as to why these blue-covered publications have been placed on their desks. The one I hold in my hand, entitled "U.S. Census of Population," relates to Texas. As I entered the Chamber the other day, the distinguished Senator from Arizona [Mr. GOLDWATER] asked, "What do I want with this booklet? I know what the population of Arizona is."

However, I thought perhaps the Senator from Arizona might not know the definition of "urbanized area," so I suggested that he avail himself of the document on his desk and examine it.

They are published for every State, and each Senator has on his desk one pertaining to his State.

From page vii of this fine document, I should like to read the portion under the heading "Urbanized Areas," as follows:

Urbanized areas: The major objective of the Bureau of the Census in delineating urbanized areas was to provide a better separation of urban and rural population in the vicinity of the larger cities, but individual urbanized areas have proved to be useful statistical areas. They correspond to what are called "conurbations" in some other countries. An urbanized area contains at least one city of 50,000 inhabitants or more in 1960,[1] as well as the surrounding closely settled incorporated places and unincorporated areas that meet the criteria listed below. All persons residing in an urbanized area are included in the urban population.

It appeared desirable to delineate the urbanized areas in terms of the 1960 census results rather than prior to the census as was done in 1950. For this purpose a peripheral zone around each 1950 urbanized area and around cities that were presumably approaching a population of 50,000 was recognized. With the unincorporated parts of this zone small enumeration districts were planned,[2] usually including no more than 1 square mile of land area and no more than 75 housing units.

Arrangements were made to include within the urbanized area those enumeration districts meeting specified criteria of population density as well as adjacent incorporated places. Since the urbanized area outside of incorporated places was defined in terms of enumeration districts, the boundaries for the most part follow such features as roads, streets, railroads, streams, and other clearly defined lines which may be easily identified by census enumerators in the field and often do not conform to the boundaries of political units.

In addition to its central city or cities, an urbanized area also contains the following types of contiguous areas, which together constitute its urban fringe:

1. Incorporated places with 2,500 inhabitants or more
2. Incorporated places with less than 2,500 inhabitants, provided each has a closely settled area of 100 dwelling units or more
3. Towns in the New England States, townships in New Jersey and Pennsylvania, and counties elsewhere which are classified as urban
4. Enumeration districts in unincorporated territory with a population density of 1,000 inhabitants or more per square mile (The area of large nonresidential tracts devoted to such urban land uses as railroad yards, factories, and cemeteries, was excluded in computing the population density of an enumeration district.)
5. Other enumeration districts in unincorporated territory with lower population density provided that they served one of the following purposes:

(a) To eliminate enclaves

(b) To close indentations in the urbanized area of 1 mile or less across the open end

(c) To link outlying numeration districts of qualifying density that were no more than 1½ miles from the main body of the urbanized area.

Contiguous urbanized areas with central cities in the same standard metropolitan statistical area are combined. Urbanized areas with central cities in different standard metropolitan statistical areas are not combined, except that a single urbanized area was established in the New York-northeastern New Jersey standard consolidated area, and in the Chicago-northwestern Indiana standard consolidated area.

The boundaries of the urbanized areas for 1960 will not conform to those for 1950, partly because of actual changes in land use and density of settlement, and partly because of relatively minor changes in the rules used to define the boundaries. The changes in the rules include the following:

1. The use of enumeration districts to construct the urbanized areas in 1960 resulted in a less precise definition than in 1950 when the limits were selected in the field using individual blocks as the unit of area added. On the other hand, the 1960 procedures produced an urbanized area based on the census results rather than an area defined about a year before the census, as in 1950.
2. Unincorporated territory was included in the 1950 urbanized area if it contained at least 500 dwelling units per square mile, which is a somewhat different criterion than the 1,000 persons or more per square mile of the included 1960 unincorporated areas.
3. The 1960 areas include those entire towns in New England, townships in New Jersey and Pennsylvania, and counties that are classified as urban in accordance with the criteria listed in the section on urban-rural residence. The 1950 criteria permitted the exclusion of portions of these particular minor civil divisions.

In general, however, the urbanized areas of 1950 and 1960 are based on essentially the same concept, and the figures for a given urbanized area may be used to measure the population growth of that area.

An urbanized area may be thought of as divided into the central city, or cities, and the remainder of the area, or the urban fringe. Any city in an urbanized area which is a central city of a standard metropolitan statistical area is also a central city of the urbanized area. With but two exceptions, the names of the central cities appear in the titles of the areas. The central cities of the New York-northwestern New Jersey area are the central cities of the New York, Newark, Jersey City, and Paterson-Clifton-Passaic standard metropolitan statistical areas. Likewise, the central cities of the Chicago-northwestern Indiana area are the central cities of the Chicago and Gary-Hammond-East Chicago standard metropolitan statistical areas.

Data for the entire urbanized area are shown in this report in table 10 for each State in which a central city of the area is located. If that part of an urbanized area that extends into another State does not include a central city, data are shown only for that part within the State.

I think that is very excellent. I also think that in the event we do not reach a vote on the measure today, each Senator will have an opportunity to see that this is an adequate definition, one which is specific and precise; and certainly it is more satisfactory than the nebulous thing in the bill.

As was pointed out by the Senator from Ohio, I think there is too much of a tendency for Congress to abdicate its responsibilities. I do not see why we cannot assume the responsibility to do such a little thing as define an urban area. But, instead, we think we have to vest this authority in an administrator, as a way of washing our hands of the matter. We want to establish broad policy lines; but we do not want to spell out the legislative intent, which I think we should do and must do if we are to fulfill our responsibilities as representatives in a representative democracy.

So I do not see why we cannot adopt a specific definition—rather than give this broad, discretionary power to the administrator—to show that we are facing up to our responsibilities and that we are not afraid to legislate in some detail if that is necessary.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield for a question?

Mr. TOWER. I yield.

Mr. LAUSCHE. How does the Senator from Texas propose to change the definition of "urban area"?

Mr. TOWER. As stated in my amendment:

(4) the term "urban area" means any urbanized area according to the most recent available classification of the Bureau of the Census;

Mr. LAUSCHE. That would mean that it must have at least one central city with a population of at least 50,000?

Mr. TOWER. Yes; at least 50,000. And, of course, several criteria are established by the schedule for the determination of what is an urban area, figuring the population density, and so forth, and determining parts of unincorporated areas as being parts of urban areas, or incorporated places of 2,500 or more or 2,500 or less. All these factors are taken into consideration. A very complicated

[1] There are a few urbanized areas where there are "twin central cities" that have a combined population of at least 50,000. See the section below on "Standard Metropolitan Statistical Areas" for further discussion of twin central cities, neither of which has a population of 50,000 or more.

[2] An enumeration district (ED) is a small area assigned to an enumerator which must be canvassed and reported separately. In most cases an ED contains approximately 250 housing units.

set of criteria are used by the Bureau to determine what an urban area is.

Yesterday I distributed these Bureau of the Census booklets to the desks of Senators, in order that they could see what the urban areas of their States are, as defined in these booklets.

Mr. LAUSCHE. Let me point out that I said that in 1962, Congress gave the Department of Commerce the direction and authority to study transportation problems in cities with a population of 50,000 or more; and in a measure that act corroborates the argument the Senator from Texas is making.

My own interpretation of the language of this bill defining an urban area is that it means any community, practically anywhere.

Mr. TOWER. I call the attention of the Senator to this language in the bill:

(4) The term "urban area" means any area that includes a municipality or other built-up place.

Would the Senator from Ohio care to give me his interpretation of the words "built-up place"?

Mr. LAUSCHE. Of course I could not do that.

Mr. TOWER. And I do not imagine that anyone could.

Mr. LAUSCHE. As to the matter of municipalities, I have on my desk a letter from the municipal association. In the letter it states that it represents 15,000 municipalities. Does that language of the bill mean that each of them would be allowed to request money with which to purchase buses, parking lots, and terminal stations?

Mr. TOWER. Well, will the Senator from Ohio try, in his imagination, to place himself in the position of the Administrator, and will he imagine that a delegation came, hat in hand, from a very small community, and became very emotional, and gave him a good sob story?

I know that the Senator from Ohio, being a very softhearted man, would, out of the kindness of his heart, declare the people of that little crossroads community to be a part of an urban area and municipality or other built-up place, and would probably hand them a great deal of money that would not go to New York, New Jersey, or such places, that really need the money.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. WILLIAMS of New Jersey. I do not know why the Senator always stops, in reading the definition, after the words "built-up place," because that is not the end of the sentence. It is not the end of the definition. The remainder of the sentence reads—

Which is appropriate in the judgment of the Administrator for a public transportation system to serve commuters or others in the locality, taking into consideration the local patterns and trends of urban growth.

Mr. TOWER. I know that the Senator from New Jersey has always been opposed to the inclusion of redundant language in legislation. I point out that because of the language "to serve commuters or others in the locality, taking into consideration the local patterns and trends of urban growth," it could be assumed from the very nature of the bill that that was what was intended. Of course, it does provide "in the judgment of the Administrator." It leaves it to the arbitrary will and discretion of the Administrator. Does the Senator have any other construction of the term "in the judgment of the Administrator"?

Mr. WILLIAMS of New Jersey. Can the Senator suggest some other individual or group of individuals who ought to make the judgment? The Administrator is the individual who administers the program and makes the final decision as to what applications shall be accepted. Does the Senator desire a committee of Congress to sit with him?

Mr. TOWER. Why not accept an established definition, that set forth by the Bureau of the Census, which is a Federal agency?

Mr. WILLIAMS of New Jersey. There are many good reasons. I know that many Senators feel very bad because under the provisions of the bill rural or less populated, poorer parts of our country would be contributing taxes to the large rich cities. I am merely saying that there is opportunity in the bill for the poorer and smaller cities to receive consideration; and to cut off a city because the population of that city had not reached 50,000 would be most unjust.

Wherever there is an urban transportation problem, the people of the particular area should be in a position to be assisted under the bill if they can meet all the other qualifications. Why say that a city whose population is 49,000 cannot obtain the benefits, but must wait until the population reaches 50,000?

Mr. TOWER. I point out to the Senator that the criterion established is 50,000 or approaching 50,000.

Mr. WILLIAMS of New Jersey. The word "approaching" is a great one. When does a city start approaching a population of 50,000?

Mr. TOWER. I should say that 49,000 is approaching it rather rapidly. I note also, that included in the urban areas would be very small incorporated towns, and even unincorporated areas. The provision does not mean that only cities of 50,000 or more population would benefit. It means that satellite towns would also benefit. They are included as a part of the urban areas under the census definition.

Mr. WILLIAMS of New Jersey. I should like to have the Senator's judgment as to whether Garland, Tex., with a population of 38,501 people, perhaps there are a few more people there now, since that was the population in 1960, is approaching 50,000.

Mr. TOWER. Does the Senator know where Garland, Tex., is located?

Mr. WILLIAMS of New Jersey. I have no idea.

Mr. TOWER. It is located in Dallas County, a metropolitan area. Garland City is a dormitory and satellite town. It is not really a satellite town. Garland was there, I believe, when Dallas was not. At any rate, it has grown in a period of time.

Mr. WILLIAMS of New Jersey. The Senator has said that Garland is a dormitory town. I cannot speak with authority in relation to mass transportation in Garland, Tex.

Mr. TOWER. The people of Garland have a very fine expressway to get them to and from downtown Dallas in a very short period of time.

As I stated the other day, there are skyscraper apartments with facilities to accommodate automobiles. There are traffic problems, but those problems would not be solved by obtaining money under a mass transportation bill.

Proponents of the bill have been talking about the jurisdiction of the cities. The cities are choking and strangling. If it is primarily the intent of the bill to help solve the transportation difficulties of cities in the large urban areas, why do we not spell it out in the bill?

Mr. WILLIAMS of New Jersey. Is that question addressed to me?

Mr. TOWER. Yes.

Mr. WILLIAMS of New Jersey. If the purposes are to serve or to meet the most critical problems in urban transportation, there must be priorities, I am sure, because of the limitation on the funds available, although with the guarantee provision added, the opportunity of meeting the problem is broadened. Particularly with a guarantee provision which is most feasible for cities with bus transportation, I feel that we can reach cities in the 25,000, 30,000, and 35,000 population range that have critical problems.

For example, consider the city of Pensacola, Fla., which might be termed a bus city. I am not sure of the population of that city. Bus operators came to us from that city and said they were losing money at an anual rate of $8,000 a year. They felt that with 15 new and improved buses, less maintenance and repair, they could improve their service. Their operating expenses relatively would decline, and they could make money. I do not know whether Pensacola meets the urbanized area definition or not.

The same situation exists in Hattiesburg, Miss., which is about to lose its transit service. Hattiesburg, Miss., is a city of 34,000 population.

Consider Laurel, Miss. The mayor of Laurel City, whose population is between 27,000 and 30,000 people, came before the House committee last year and said,

We have no mass transportation. We need it. I will tell you why. Three companies have come to me looking for properties so that they could locate within Laurel, Miss. When they discovered that there was no mass transportation, they did not come into the city.

Those are cities that we must think of, as well as Dallas, Houston, and other large cities.

Mr. TOWER. I say to the Senator from New Jersey that I am not anti-small-towns. Although I was born in Houston, I have grown up in small towns. I really prefer small towns to large cities. But we are considering an urban bill. It is designed to help urban people. We have estimated a $10 billion need over a period of a few years. The amount of money will be spread pretty thin, anyway.

It seems to me that the bill would actually be improved and made more effective if we could tighten up the definition of an urban area. Then the gravy would not be spread quite so thin. Taking into consideration also the number of small towns in the United States, if many of them are encouraged to apply under the terms of the bill, funds that ought to go to the big urban areas will be sapped, or the money will be spread out so thin over the country than no area will be greatly benefited by it.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. WILLIAMS of New Jersey. I might be inclined in some measure to agree with the Senator if the bill provided merely a grant program and the funds were small, indeed. They are very modest. But with the guarantee provisions added——

Mr. TOWER. Mr. President, will the Senator permit me to make a statement at that point?

Mr. WILLIAMS of New Jersey. Yes.

Mr. TOWER. I did not mean to imply that the appropriation authorized is a modest one. I am thinking of it in terms of relationship to the total need. I would never imply that the bill is a cheap one.

Mr. WILLIAMS of New Jersey. It is modest for the need.

Mr. TOWER. A great deal of money is involved.

Mr. WILLIAMS of New Jersey. With a guarantee provision, why should not a town have its bonds guaranteed even if its population has not reached 50,000? I do not understand why we should say that Hattiesburg, Miss., cannot obtain a guarantee of its bonds because there are not enough people in Hattiesburg.

Mr. TOWER. Mr. President, I did not raise the urban versus rural argument in this body. That was raised by the Senator from Connecticut [Mr. RIBICOFF] in his very eloquent and closely reasoned presentation. I do not regard this as an urban-rural argument.

As a matter of fact, I think more cities are opposed to the bill than are for it. At least, that is the indication given by the testimony by representatives of the National Chamber of Commerce.

Will not the Senator concede that the aim of the bill primarily is to aid in the congested strangulation of the big cities? Most of the testimony has been by people from these big city areas, has it not?

Mr. WILLIAMS of New Jersey. I cannot agree to that. Where there are concentrations of people, where there are areas so large that a person cannot walk to all his missions—to work, to church, to school, and all the rest—transportation is needed. Perhaps 40 percent of our people are not automobile drivers, yet they live in areas where they have to move farther than walking distance. What are they to do? Youngsters cannot drive cars. Older people cannot drive cars. Those who are poor often do not have cars. Some people are disabled. Some people are afraid to drive a car.

Why should all of the people not have an opportunity to be more than hermits in homes?

Mr. TOWER. Why should not the people who are 64 years old have an opportunity to collect social security?

Mr. WILLIAMS of New Jersey. Some can.

Mr. TOWER. Some can, yes.

Mr. WILLIAMS of New Jersey. If totally disabled.

Mr. TOWER. Some small towns, under my definition, would be able to qualify for aid.

Mr. WILLIAMS of New Jersey. Only if they are like Garland and happily situated within the shadow of Dallas.

Hattiesburg, Miss., would not qualify.

Anderson, Ind., with 49,060 people, would not qualify.

Hagerstown, Md., with 36,000 people, would not qualify.

Cumberland, Md., with 33,000 people, would not qualify.

Bangor, Maine, with 38,000 people, would not qualify.

Lawrence, Kans., with 32,000 people, would not qualify.

New Castle, Pa., with 44,000 people, would not qualify.

All of these cities have transit troubles. The companies are almost on the rocks.

Mr. TOWER. Have all of those cities evidenced some support for the bill?

Mr. WILLIAMS of New Jersey. If they are part of the U.S. Conference of Mayors or the American Municipal Association they have, through representative action, come to us every year in support of the mass transit bill. The American Municipal Association speaks for 13,000 cities and towns in this country.

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

Mr. TOWER. I yield to the Senator from Ohio.

Mr. LAUSCHE. An enumeration has been made of cities which are in distress. If the Senator from Texas will look at page 268 of the transcript of the testimony for 1963——

Mr. TOWER. The hearings before the Committee on Banking and Currency, or before the Committee on Commerce?

Mr. LAUSCHE. Before the Committee on Banking and Currency.

Arizona is listed as having within it Phoenix, with transportation problems. In Phoenix the lines were sold; one in 1955 and the other in 1959. So when one looks at that book one would assume that Phoenix has not solved its problem.

The mayor of Phoenix appeared before the Commerce Committee and told about the transportation services there. He opposed the bill. Yet if one looks into this tabulation one would say, "Phoenix is in distress."

I invite the Senator's attention to Kansas. Wichita is mentioned as being in trouble. It is said that it was necessary to dispose of their system. The owner of the Wichita transportation system appeared before the Commerce Committee and said that their problem has been solved.

I refer to Cleveland, Ohio. Under Ohio, Cleveland is mentioned. It is shown that the Broadview Bus Line on July 1, 1961, was transferred. Yes, it was transferred to the Cleveland transit system.

Going further down, to Lakewood, Ohio, it is shown that Lakewood is in trouble. The Lakewood system was taken over by the Cleveland transit system.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of New Jersey. Where does it show that Lakewood is in trouble?

Mr. LAUSCHE. It is listed. Four hundred and sixty-seven transit systems, it is pointed out, had to be abandoned or transferred.

Mr. WILLIAMS of New Jersey. We did not use the word "trouble." We said that in most cases there has been a diminution of service.

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

Mr. TOWER. Mr. President, may I make an inquiry of the Senator from New Jersey?

The time on my side has expired. May we use time from the Senator's side?

Mr. WILLIAMS of New Jersey. A full hour has been used?

The PRESIDING OFFICER. The 30 minutes allotted to the Senator from Texas have been used. There are 30 minutes remaining.

Mr. WILLIAMS of New Jersey. Mr. President, I would be less than generous if I did not allow some time, having used so much of the time of the Senator from Texas.

I will yield, from time to time, as much time as is needed.

Mr. LAUSCHE. Mr. President, I invite the attention of the Senator from Texas to his own State. Houston is listed. The Houston operator appeared and told about making money in Houston. He is now in charge of this system.

The Senator from Texas will remember that in the hearings I was asked by the Senator from New Jersey about Upper Arlington and Findlay, Ohio. Those are communities in which families normally have two cars. That is true practically everywhere in the area. Certainly they do not have a bus system, and they will not have one.

I merely point that out to show how fallacious is this report, when one looks at it and concludes that these places are in distress and are going to need the money they will receive to run their systems.

Why should the Federal Government buy buses and subsidize local transportation systems for the people of those areas, for the young people, for those of medium age, and for those who are old? Since when has that become a responsibility of the Federal Government?

If we go into this field, how many fields will we stay out of?

Mr. TOWER. I thank the Senator.

Mr. WILLIAMS of New Jersey. Mr. President, at this point I wish to say that under the proposed legislation there is to be no grant of Federal money, of course, until the applying local govern-

ing authority has found that it cannot feasibly use a local guarantee to borrow the money and pay it back. The grant will follow only the most rigorous series of qualifying hurdles.

Mr. LAUSCHE. There is a weakness in that answer. There are 13,000 municipalities in the country. Some of them have tried to solve their own problems. Others have done nothing. The ones which have done the least are the ones crying the most for help.

There are different tax rates in the various States.

In some places subsidies are given. Those which are operating successfully, because of their efforts to solve the problem, will get nothing.

Those that have done the least will be in the most formidable position to apply for aid; and I say that in spite of the language that has been quoted by the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, I believe most of the observation I wanted to make on the limitation of the legislation to apply only to cities of at least 50,000 population have been made. I think it is one that is most unjust, because we know there can be a critical problem in transportation in a city of 30,000 or 35,000 as easily as in a city of 50,001 persons.

To ask all the country, large cities and small cities, to raise the money from taxation for this program, and then to arbitrarily deny these benefits to people, even though they can demonstrate they have a problem, is cruel indeed.

I yield back the remainder of my time on the amendment.

Mr. TOWER. Mr. President, I ask unanimous consent that the vote on my amendment be postponed until subsequent to the vote on the amendment of the Senator from Ohio [Mr. LAUSCHE] and the amendment of the Senator from Colorado [Mr. DOMINICK].

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be terminated.

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

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

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 6, line 2, to delete the words "its operations" and insert in lieu thereof the following: "the operations of such public mass transportation company".

Mr. JAVITS. Mr. President, I present this amendment only because there seems to be in some quarters some question as to what is meant by the language at the top of page 6 of the revised bill as submitted by the Commerce Committee, which this amendment would affect.

The word "its" in line 2 of page 6, refers to the public mass transportation company or any division or segment thereof which is operating profitably. This is the general theory that I am seeking to reach.

I have specifically in mind the Port Authority of New York, which is operating in many areas, and the Triborough Bridge and Tunnel Authority in New York, which is also operating in many ways. For instance, the port authority operates parking garages, bridges, tunnels, airports, and may very well take under its wing a trade center, as well as a transportation system, to wit, the particular system we call the Hudson Tubes, the Hudson & Manhattan Railway. The Triborough Bridge and Tunnel Authority operates bridges, as well as a coliseum which is a great show place for trade shows, as well as an office building.

As I understand the intent of this section, and I have discussed this matter with the aides of the Senator from Nevada [Mr. CANNON], it is to prevent a public body which operates in the mass public transportation field from starving one of its entities which may seek aid from the Government, while at the same time it is making money from its other entities.

The reason why I have submitted the amendment is to sharpen the discussion on the question. I understand what I have in mind and what the Senators in charge of the bill have in mind, and I do not think the amendment is needed, but, in order to highlight this point, I thought it was necessary to have this discussion in order to understand what was intended.

As I understand the situation, it comes down to this: Where a public body operates many facilities, and some of them make money, and there is a transportation system that it wishes to get qualified under this bill, which company is not making money, that company is not automatically disqualified from coming in under the bill, but the Administrator, under the bill, has a perfect right to give them money for the elements they do operate which he thinks properly belong in a mass public transportation system.

In short, I want to be sure such a public body is not ipso facto, as we lawyers say, by some strained construction of the language, excluded from the provisions of the bill because some elements of its operations make money.

As I understand the intent, the Administrator could say to the Port Authority of New York, "I do not care whether the Hudson and Manhattan does or does not make money. A public mass transportation system which would command my interest so that I would give you money under this bill has got to include other things, such as A, B, and C."

I would not want, on the face of the bill itself, to bar that public authority from coming under the bill because it happened to have some operations, which might be completely unrelated to a mass public transportation system, which made money.

Mr. WILLIAMS of New Jersey. If the Senator will yield, of course this part of the bill was brought to us from the Commerce Committee. Of course, the Senator from New York and I, sitting in the Banking and Currency Committee, wrote the other part of the bill; but it seems to me the clear, plain meaning of the language is that only the mass transportation activities of an authority would be considered, in this connection, in what is profitable and what is not profitable.

Mr. JAVITS. That is, what the Administrator would insist should go into the mass public transportation operation to qualify for a grant or whatever aid he wished to give. Is that correct?

Mr. WILLIAMS of New Jersey. In my judgment, that is the plainest, clearest, and most manifest meaning of the language of the bill.

Mr. JAVITS. I wonder if the Senator from New Jersey will join me in the mode of procedure I shall now suggest. I would like to ask the Senator from Nevada [Mr. CANNON] to read this colloquy and if, when he returns, he agrees with it, I will be prepared to withdraw the amendment. I do not think it is at all needed, but I think, in view of the fact that some persons believe there is some ambiguity in the language—although I do not—that question ought to be resolved now while we are discussing the question. So I am prepared to reserve any time I have left so that, when the Senator from Nevada [Mr. CANNON] returns, if he agrees with this interpretation, I shall be prepared to withdraw the amendment.

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

Mr. CARLSON. Mr. President, will the Senator yield to me before that?

Mr. TOWER. I yield the Senator from Kansas 5 minutes.

THE ARMS CONTRAL AND DISARMAMENT AGENCY

Mr. CARLSON. Mr. President, the last session of Congress approved legislation which established the Arms Control and Disarmament Agency.

This legislation was enacted after extensive hearings in both the House and Senate committees and after general debate in both bodies. The legislation was approved by a vote of 290 to 54 in the House of Representatives and a vote of 73 to 14 in the Senate.

Congress established the Agency to explore, develop, recommend and, if approved by the President, negotiate possible alternatives to the arms race in order to enhance our national security. A strong military establishment, of course, remains essential. But as the President has said, "in a spiraling arms race a nation's security may well be shrinking even as its arms increase."

In today's world a strong military establishment is essential. It does not follow, however, that our security can be maintained indefinitely by continuing the present arms race. Our defense budget is so large and modern weapons of war are so devastating that safeguarded alternatives must be explored.

Realizing this, Congress charged the Agency with carrying out an extensive research program in the field of arms control and disarmament and using the results as a basis for informed negotiations in this field.

Most people will recognize that if a safeguarded international disarmament treaty could be effected—if the war-making capabilities of all nations could be eliminated and effective machinery could be set up to keep the peace, this would certainly be in our national interest.

If this is true, it follows that somebody or some group should work out disarmament proposals for appropriate consideration by the executive branch and by Congress. This is what the Arms Control and Disarmament Agency was set up to do.

The major proposal on disarmament worked out by the Arms Control and Disarmament Agency—and the one that has been the subject of so much misunderstanding—is the "Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World." This outline has not even reached the stage of a draft treaty, but it represents the most comprehensive and thoroughgoing series of proposals ever made on disarmament by this or any other country.

The overall goal is defined as the establishment of a "free, secure, and peaceful world of independent states adhering to common standards of justice and international conduct and subjecting the use of force to the rule of law."

It is claimed that we could never negotiate such an agreement with the Communists because their goal is world domination and they cannot be trusted. Maybe we cannot conclude an agreement under present circumstances, but it should be kept in mind that there are other alternatives to war which the Communists may believe they can use to achieve their objectives, such as political and economic means.

Anyone who has met a dedicated Communist knows that he exhibits a fanatical belief in the ultimate success of the Communist ideology. We would show a surprising lack of faith in our own system if we did not believe we could meet the Communists successfully in the political and economic fields.

It should also be kept in mind that we would not accept anything less than a treaty which would safeguard our national security precisely because we realize the Communists cannot be trusted—that is why we would insist upon adequate means to verify that they were complying with any agreement.

The U.S. program does not, of course, call for unilateral disarmament only by this country; it specifically requires that the arms and armed forces of all parties to the agreement be reduced "in a manner that will not affect adversely the security of any State," and it proposes an effective system to verify compliance.

It also contemplates appropriate changes in our economy so that all of the billions of dollars now being spent on defense could be utilized in other ways. Continuing studies are being sponsored by the Arms Control and Disarmament Agency on the economic impacts of disarmament and the alternate utilization of human resources for those now employed in the defense effort.

Congress provided for cooperation in arms control and disarmament policy formulation among all interested agencies. Test ban or disarmament recommendations of this Agency are considered by the Departments of Defense and State, and where appropriate, by the Atomic Energy Commission, the National Aeronautics and Space Administration, and other agencies. Negotiations are never undertaken on an important measure until the President has consulted with his key national security advisers and given his approval.

Congress also provided that no action could be taken that would obligate the United States to disarm without the prior approval of Congress.

The President, the Secretary of State, and the Director of the U.S. Arms Control and Disarmament Agency have all said that a test ban agreement would be submitted in the form of a treaty to the Senate for the traditional two-thirds vote.

Under section 33 of the Arms Control and Disarmament Act, a disarmament agreement must either be approved in this fashion or by a majority in both Houses. The American people are thus assured that no disarmament agreement could be put into effect without the approval of their elected representatives.

Finally, the executive branch could not—as some people assert—operate independently in this area through the United Nations by putting us under a United Nations military dictatorship and destroying our national sovereignty. The executive branch disclaims any intention of doing this either through a disarmament treaty or under the United Nations Charter, but even given the impossible assumption that it wanted to, the United Nations Charter is a treaty and it cannot be changed in any way affecting the United States without undergoing the treaty procedures set forth in the U.S. Constitution.

In other words, our relationship to the United Nations under the United Nations Charter could not be altered unless the U.S. Senate approved of such a change.

I hope, Mr. President, that these few observations will help to clarify some of the more glaring misconceptions that have arisen over the activities of the Arms Control and Disarmament Agency.

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

Mr. CARLSON. If I have the time I shall be happy to yield.

Mr. JAVITS. I have some time on my amendment. I am glad to yield a minute to the Senator if he needs it.

I wish to congratulate the Senator on the statement he has made. He is a member of the Foreign Relations Committee. He is considered a man of reasonably middle-of-the-road and perhaps even somewhat conservative views. A statement of this character by him is of the greatest importance at this time, when so much obfuscation exists on the question of disarmament, so dear to the hearts of the people.

I found myself in a somewhat similar situation in my last campaign, and made a statement which the Senator and I might have written together.

The important point the Senator has emphasized is that in no case is there the remotest chance that the Senate will not pass on any disarmament treaty. There is no misconception, in my view, and I am sure the Senator agrees with me in this respect, and the whole world knows by now that the Senate is not bound merely because the President or his negotiators have agreed, but that our hands are perfectly free. This represents the ultimate sanction to the people. They have no reason to fear that something will be done in the dark. I am delighted to hear the Senator say that. I again congratulate him.

Mr. CARLSON. I appreciate what the Senator from New York has said. He has spent a great deal of time in this field. I made the statement today for the reason that the Senator has mentioned; namely, the concern that some people have in connection with this matter. The final vote will be determined by Congress, or by the Senate, because it is a treaty. I thank the Senator.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for the quorum call may not be taken out of the time controlled by either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Colorado has 4 minutes remaining on his amendment. The Senator from Alabama has 9 minutes remaining in opposition.

Mr. DOMINICK. Mr. President, I wish to review again the terms of the proposed amendment, so that the Senators who are here may keep it in mind. There was some discussion this morning between myself and the Senator from Nevada [Mr. CANNON] as to what programs would or would not be covered by the language which is now in the proposed Commerce Committee bill, particularly with respect to the program which would be subject to being cut off in the event my amendment should fail of adoption and the language which is now in the bill should remain in it.

For the purposes of the record I should like to outline again—and I call to the attention of the distinguished Senator from Nevada the fact what I am about to outline—the programs that will be involved and in jeopardy unless my language is adopted. These are, under the Office of the Administrator of HHFA, urban planning grants, urban studies, and housing research, mass transportation demonstration grants, urban transportation assistance, open space land grants, low income housing demonstration grants, college housing programs, public facility loans, public works planning, urban renewal programs, housing for the elderly program. In addition, if the words "assistance to finance" any project administered by the HHFA should be broadly interpreted by any court, it could also very easily mean insurance under the Federal Flood Indemnity Administration, and the programs financed under the Federal National Mortgage Association. In addition, the Federal Housing Administration is within the HHFA compound, and it would include all financing and insurance programs under that administration.

It would also include the low-rent public housing program under the Public Housing Administration.

The point I have tried to make is that what we are trying to do is to give the Administrator some power, but it does not seem to me that we ought to give him a meat ax in order to kill a mosquito.

If we provide that, because he does not like a new rate schedule which has gone into effect, no area which is involved in the mass transit program can any longer receive assistance for financing any of the programs as outlined in that list, it seems to me we have gone awfully far in the way of giving control to this Federal Administrator.

There is one more point that I wish to make very clear. As it is now written, not only does the bill give the Administrator discretion within a stated area over a short space of time; but the discretion will continue so long as any project to which a Federal grant has been given is still in the process of proving or disproving itself.

For example, if the grant were a part of a local matching program, under which the municipality was to raise one-third of the funds over a period of 20 or 50 years, the power would remain in the hands of the Administrator for that length of time. It does not seem to me that the Senate should be giving to any person the degree of power which is implicit in the language now in the bill. That is the reason why I have offered my amendment to strike the last sentence of subsection (c) on page 17 of the Magnuson substitute for the original bill.

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

Mr. CANNON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Nevada has 9 minutes remaining.

Mr. CANNON. Mr. President, it seems anomalous to me that those who have favored the granting of funds by the Federal Government to aid in this particular problem are those who are now supporting this type of amendment, which would remove any restrictions, and which provides, in effect, that if the money is to be given, let it be given to permit inefficient operation. The amendment would permit inefficient operation with no type of Government control over the funds. The opponents of S. 6 call it a "giveaway," which it certainly is not at this time; but when you cut off all the controls, then you make it a "giveaway." That is the anomaly.

All the bill seeks to do is to tighten the control, so that if a municipality or other local governing body applies to the Administrator and submits a plan which the Administrator believes is sound and feasible, and has several facets to it, one of them calling for the financing of the plan from the fare box, the Administrator may make the grant from the Federal Government.

The Administrator would review the plan and the proposed schedule of rates. He would ascertain the amount of revenue the proposal would bring in. That would be done on the basis of the representations of the applicant, not on the basis of any decision by the Administrator.

The Administrator would then determine the net project cost, of which amount the Government would finance two-thirds by way of a grant, and the local body would finance one-third by way of a grant. Why? Because the rates proposed to be put into effect would not finance the whole project. Unless the applicant made that representation, it could not qualify at all. Once they made that representation, they could secure the approval of the Administrator and get a grant.

But the supporters of the amendment are in effect saying, "Once the applicant gets the grant, we propose that the Administrator keep his hands off. If the applicant wishes to reduce the fares below what it has represented are needed to be charged for an economic operation, and if the operation is thus made uneconomic, the Administrator will have no control over it. It is tough, but the Administrator approved the grant of money, and that is it."

I say again that the bill simply provides an insurance policy for the Federal Government. The distinguished Senator from Colorado [Mr. DOMINICK] said this would be a never-ending problem; it could continue ad infinitum or indefinitely. I say it would continue only so long as the project for which the applicant made a request to the Federal Government for assistance was economically sound. Their determination would affect their application, not the Administrator's. The applicant itself would present the schedule of fares or rates, not the Administrator. Once that were done, it is felt that it would be only fair and right to assume that they had committed themselves, and on the basis of that representation had committed the Federal Government to a course of conduct.

If thereafter they took action which resulted in an uneconomic operation—which would be a question of fact—then the Administrator would have the authority to say that further aid would not be given under programs administered by the HHFA, because the applicant had violated the plan or had not followed the plan presented to the Administrator.

If Congress passes the bill, it will have determined certain practices as a matter of public policy, so far as findings of purposes are concerned. Those findings will specifically include that the only reason relief can be granted in the first instance is that the program is an overall program to assist in the various areas which are administered by the HHFA.

Private aspects have been eliminated; as a matter of fact, they were never in the bill. The areas which would be involved are Federal National Mortgage Association loans, Federal Housing Administration loans, and Farm Housing loans. Those are individual applications; they are not projects in the nature of public projects which are administered by local governing bodies.

Those who wish to insure some responsibility in the use of funds at the local level should vote against the Dominick amendment. Those who wish to grant funds to a public body on the basis of representations made, and who then say that if the applicant changes its mind, the Federal Government will have no control over it, and the applicant can do as he will with the money, should support the position of the Senator from Colorado.

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

I urge the Senate to support the eminently sound amendment offered by the Senator from Colorado [Mr. DOMINICK]. It remedies a flaw in the bill which was not discovered until the Senator from Colorado sought to correct it by his amendment. He has rendered a worthwhile service. I hope the Senate will support his amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Lausche amendment.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

THE PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Colorado [Mr. DOMINICK]. On this question, the yeas and nays have been ordered.

Mr. JAVITS. Mr. President, before the roll is called, let me state that I have an amendment pending, but I intend to withdraw it. It is now at the desk. On the basis of colloquy with the Senator from Nevada [Mr. CANNON], I intend to withdraw the amendment; and I should

like to do so now, so that the only amendments which will be before us will be those on which we shall actually vote. So, if it is agreeable, I shall now withdraw the amendment.

Mr. MANSFIELD. Mr. President, I believe it would be better for the vote on the amendment of the Senator from Colorado [Mr. DOMINICK] to be taken now.

Mr. JAVITS. However, on the basis of colloquy with the Senator from Nevada [Mr. CANNON], I intend to withdraw my amendment, rather than have it voted on.

Mr. CANNON. Mr. President, let me point out that in accordance with the unanimous-consent agreement previously entered into, the Senate is to vote at 2 o'clock on the amendment of the Senator from Colorado [Mr. DOMINICK].

Mr. JAVITS. In that event, Mr. President, I shall wait.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. DOMINICK]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Utah [Mr. Moss] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is detained on official business and, on this vote, is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Florida would vote "nay."

The result was announced—yeas 39, nays 58, as follows:

[No. 31 Leg.]

YEAS—39

Aiken	Fong	Morton
Beall	Goldwater	Mundt
Bennett	Hayden	Pearson
Boggs	Hickenlooper	Prouty
Byrd, Va.	Hruska	Robertson
Carlson	Javits	Saltonstall
Cooper	Jordan, N.C.	Scott
Cotton	Jordan, Idaho	Simpson
Curtis	Keating	Smith
Dirksen	Kuchel	Stennis
Dominick	Long, La.	Tower
Eastland	Mechem	Williams, Del.
Ervin	Miller	Young, N. Dak.

NAYS—58

Anderson	Hartke	Monroney
Bartlett	Hill	Morse
Bayh	Holland	Muskie
Bible	Humphrey	Nelson
Brewster	Inouye	Neuberger
Burdick	Jackson	Pastore
Byrd, W. Va.	Johnston	Pell
Cannon	Kefauver	Proxmire
Case	Kennedy	Randolph
Church	Lausche	Ribicoff
Clark	Long, Mo.	Russell
Dodd	Magnuson	Sparkman
Douglas	Mansfield	Symington
Edmondson	McCarthy	Talmadge
Ellender	McClellan	Thurmond
Engle	McGee	Williams, N.J.
Fulbright	McGovern	Yarborough
Gore	McIntyre	Young, Ohio
Gruening	McNamara	
Hart	Metcalf	

NOT VOTING—3

Allott	Moss	Smathers

So the amendment was rejected.

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

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

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

The motion was agreed to.

The PRESIDING OFFICER. The question now recurs on amendment No. 17 of the Senator from Ohio.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. What is the pending question?

The PRESIDING OFFICER. The question is on amendment No. 17 of the Senator from Ohio. On the amendment the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Utah [Mr. Moss], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Michigan [Mr. HART] would vote "nay."

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

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is detained on official business. On this vote, he is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from California would vote "nay."

The result was announced—yeas 33, nays 62, as follows:

[No. 32 Leg.]

YEAS—33

Bartlett	Hickenlooper	Pearson
Bennett	Holland	Pell
Boggs	Hruska	Prouty
Carlson	Jordan, Idaho	Saltonstall
Cotton	Jordan, N.C.	Scott
Curtis	Lausche	Simpson
Dirksen	McClellan	Thurmond
Dominick	Mechem	Tower
Ervin	Miller	Williams, Del.
Fong	Morton	Young, N. Dak.
Goldwater	Mundt	Young, Ohio

NAYS—62

Aiken	Gruening	McNamara
Anderson	Hartke	Metcalf
Bayh	Hayden	Monroney
Beall	Hill	Morse
Bible	Humphrey	Muskie
Brewster	Inouye	Nelson
Burdick	Jackson	Neuberger
Byrd, Va.	Javits	Pastore
Byrd, W. Va.	Johnston	Proxmire
Cannon	Keating	Randolph
Case	Kefauver	Ribicoff
Church	Kennedy	Robertson
Clark	Kuchel	Russell
Cooper	Long, La.	Smith
Dodd	Long, Mo.	Sparkman
Douglas	Magnuson	Stennis
Eastland	Mansfield	Symington
Edmondson	McCarthy	Talmadge
Ellender	McGee	Williams, N.J.
Fulbright	McGovern	Yarborough
Gore	McIntyre	

NOT VOTING—5

Allott	Hart	Smathers
Engle	Moss	

So Mr. LAUSCHE's amendment was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the agreement, the question now is on the amendment of the Senator from Texas [Mr. TOWER]. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. KUCHEL. Mr. President, may the clerk read the amendment before we have the rollcall?

The PRESIDING OFFICER. Without objections, the amendment will be read.

The LEGISLATIVE CLERK. It is proposed, on page 23, to strike out lines 20 to 25, and insert in lieu thereof the following:

(4) the term "urban area" means any urbanized area according to the most recent available classification of the Bureau of the Census; and.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Utah [Mr. Moss], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

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

I further announce that, if present and voting the Senator from Michigan [Mr. HART], would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is detained on official business, and on this vote, is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from California would vote "nay."

The result was announced—yeas 27, nays 68, as follows:

[No. 33 Leg.]

YEAS—27

Bennett	Fong	Miller
Boggs	Goldwater	Mundt
Byrd, Va.	Hickenlooper	Pearson
Carlson	Holland	Proxmire
Cooper	Hruska	Robertson
Curtis	Jordan, Idaho	Simpson
Dirksen	Lausche	Stennis
Dominick	McClellan	Thurmond
Eastland	Mechem	Tower

NAYS—68

Aiken	Douglas	Jordan, N.C.
Anderson	Edmondson	Keating
Bartlett	Ellender	Kefauver
Bayh	Ervin	Kennedy
Beall	Fulbright	Kuchel
Bible	Gore	Long, Mo.
Brewster	Gruening	Long, La.
Burdick	Hartke	Magnuson
Byrd, W. Va.	Hayden	Mansfield
Cannon	Hill	McCarthy
Case	Humphrey	McGee
Church	Inouye	McGovern
Clark	Jackson	McIntyre
Cotton	Javits	McNamara
Dodd	Johnston	Metcalf

Monroney	Prouty	Symington
Morse	Randolph	Talmadge
Morton	Ribicoff	Williams, N.J.
Muskie	Russell	Williams, Del.
Nelson	Saltonstall	Yarborough
Neuberger	Scott	Young, N. Dak.
Pastore	Smith	Young, Ohio
Pell	Sparkman	

NOT VOTING—5

Allott	Hart	Smathers
Engle	Moss	

So Mr. TOWER's amendment was rejected.

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

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

The motion to table was agreed to.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. What is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from New York.

Mr. JAVITS. I yield myself 10 minutes. We debated this amendment previously in the absence of the Senator from Nevada [Mr. CANNON]. I am sure the Senator has read it.

The amendment relates to the definition of terms which are used in subsection (c) of section 3 at pages 5 and 6 of the bill as it is brought to us by the Commerce Committee. I hope very much that the meaning of the section is so clear as not to need an amendment. However, I believe the question of interpretation would best be raised by my proposing an amendment.

The meaning of the section, as I understand it, whatever may be its worth—and I will come to that in a moment—is that a public body which has as one of its activities a public mass transportation company or system may nonetheless qualify under the pending bill, if it becomes law, in the sense that it will be able to make an application, notwithstanding the fact that it may be engaged in operations related to something outside of a public mass transportation system.

For example, we could point to the storage of grain, or the operation of an office building, or the operation of a public body like the Coliseum in New York, which is a place where exhibitions and trade shows are held. In other words, notwithstanding the fact that it does have some other operations which make money, it nonetheless will qualify under this law even if this public mass transportation operation does not make money.

The entity to which I have specific reference is the Port of New York Authority. All we are trying to do is to provide that that entity will qualify. That does not mean that it will get a grant or any other assistance; it means merely that it may seek funds, and will not be disqualified from so doing.

On the other hand, the Administrator may determine, and, indeed, it would be his duty, to determine what he considers to be a public mass transportation system, and he may very well turn to this public body and say, "I do not agree with you as to what you are putting into the mass transportation system. I think you could put in there A, B, C, or D."

I wish to be sure that such a company, notwithstanding the fact that it has some operations which make money, is nonetheless considered a proper applicant, whatever the result of its application may be, or whatever may be the conditions which are set by the Administrator before he will give it any aid under this bill, if it is enacted into law.

The word "its" in line 2 on page 6 refers, in my judgment to the term "public mass transportation company." If it does, then my interpretation of the meaning of the section is, in my opinion, correct. Therefore I have offered the amendment really to spell out these words that I have sent to the desk by way of amendment with respect to the word "its." I have offered the amendment to make clear what I consider to be the interpretation of this section as it was drafted and as it comes to us from the Commerce Committee.

I would greatly appreciate it if we could have an expression of view from the Senator who is in charge of the Commerce Committee.

I hope that the amendment will not be necessary.

Mr. CANNON. Mr. President, I assure the Senator that his amendment is not necessary. The understanding he has of the word "its" is the understanding the committee had; namely, that it refers to a public mass transportation company. Certainly an applicant would be qualified to apply as an applicant even though there might be other segments that were operating independently from that mass transit company. I therefore assure the Senator from New York that his interpretation is correct.

Mr. JAVITS. I thank the Senator. I withdraw the amendment. I yield back the remainder of my time.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. The amendment is withdrawn. All time on the amendment is yielded back.

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

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, in lines 18, 19, and 20 it is proposed to strike out "$100,000,000 for fiscal years 1963 and 1964; $200,000,000 for fiscal year 1965; and $200,000,000 for fiscal year 1966," and insert in lieu thereof the following: "$75,000,000 for fiscal years 1963 and 1964; $150,000,000 for fiscal year 1965; and $150,000,000 for fiscal year 1966".

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

The amendment cuts $25 million from the years 1963 and 1964 with respect to the grants. It cuts $50 million from the year 1965, and $50 million from the year 1966. Therefore, it is a cut from $500 million for the total period of the grants to $375 million.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The Senator from Missouri asks for the yeas and nays on his amendment.

The yeas and nays were not ordered.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. If it is desired to offer a substitute for the amendment offered by the Senator from Missouri, is it in order to offer it after the yea-and-nay vote has been ordered?

The PRESIDING OFFICER. Yes, it is.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SYMINGTON. Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SYMINGTON. Mr. President, the mass transit bill will help many cities, including some in my own State; but I believe that as a nation, we are running into increasing fiscal problems.

The Federal debt is now over $300 billion.

The planned Federal budget for this fiscal year is $98.8 billion.

To stimulate the economy, the administration is now asking for a heavy reduction in taxes; and estimates the Federal deficit will be $11.9 billion. Some say it will be more.

More worrisome to me than any of these considerations, however, and even though this is not entirely relevant to the bill in question, is the problem of balance of payments—the steady loss of gold from this country. In the last 14 years, or thereabouts, we have lost $8,737 million in gold, over 35 percent of our total; and it is still running out.

I believe in the principles of this transportation bill, and am anxious to support an effort to alleviate this growing problem characteristic of many of our towns and cities. But based on the aforementioned fiscal facts, I also believe there must be some retrenchment in our Federal expenditures.

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

Mr. SYMINGTON. I yield.

Mr. HARTKE. So far as the operation of the bill is concerned, would the bill in any way affect the overall operation of the program as to the amount of money which would be utilized for grants?

Mr. SYMINGTON. It would not. The amendment simply provides a reduction in the $500 million for grants provided in the bill. It does not affect the guaranteeing of the $500 million.

Mr. HARTKE. So far as the overall concept of trying to alleviate the very serious problem of mass transportation is concerned, the offering of the amendment is not intended to detract in any way from the merits of the bill itself?

Mr. SYMINGTON. Not at all. It does not take away from the principle. It would simply reduce the amount of money that would be made available in this new field.

Mr. HARTKE. The whole concept of the bill is a recognition of the need for a new approach; but instead of approaching it to the tune of $500 million, the amount would be reduced to $375 million. If the amendment shall be agreed to, that is well and good. It will be possible at a later date to come forward with a request for additional funds.

Mr. SYMINGTON. I believe that would be a fair interpretation of the intent of my amendment.

Mr. HARTKE. I desire the Senator to know that I support his amendment.

Mr. SYMINGTON. I thank the able Senator from Indiana for his contribution and his support.

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

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

Mr. CANNON. If the Senator's amendment were adopted, and it actually turned out to be the fact, either during the periods of 1964 or 1965, that the amount of money authorized in the bill was insufficient, would it be permissive or proper for Congress to take action at that time to provide additional authorization, if the need were actually determined?

Mr. SYMINGTON. I would think so, if I follow the thinking of the able Senator from Nevada. That is the reason I reduced the amount originally scheduled for the first 2 years.

Mr. CANNON. Personally, I think this is a good amendment. When the bill was referred to the Committee on Commerce after it had been considered by the Committee on Banking and Currency, the figure $500 million was in the bill. But since that time, as the Senator knows, the Committee on Commerce added the guarantee loan provision, so perhaps that would reduce the need somewhat. Perhaps even the guarantee loan provision may be high for the first few years of operation, because it will take some time to get the program underway and actually determine who can qualify.

I agree with the Senator that we should take every step possible not to authorize or not to appropriate more funds than are actually needed for a particular program. In view of the fact that this is a new program and that the action proposed by the Senator from Missouri would not preclude a return to Congress if the need were actually demonstrated over the period authorized in the bill, I join in support of the recommendation of the Senator from Missouri.

Mr. SYMINGTON. I am especially grateful to the Senator from Nevada, because he studied the bill carefully and he and his committee suggested many constructive amendments—five to be exact—in the recent debate. I appreciate his support.

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

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

Mr. KUCHEL. At what amount would the loan or grant provision be diminished?

Mr. SYMINGTON. For the first 2 fiscal years—1963 and 1964—the first of which has almost been concluded, the reduction would be $25 million. For the next 2 years, the reduction per year would be $50 million. Therefore, the total grant request in the bill—$500 million over the period in question—would be reduced from $500 million to $375 million.

Mr. KUCHEL. I thank the Senator from Missouri.

Mr. SPARKMAN rose.

Mr. SYMINGTON. Mr. President, does the Senator from Alabama wish to have me yield time to him?

Mr. SPARKMAN. I shall speak in my own time.

Mr. President, I am in accord with the proposal of the Senator from Missouri. Since the Committee on Commerce has added the loan guarantee provision, there certainly should not be much requirement for grants. Therefore, I think it is entirely reasonable—and I may say to the distinguished Senator from Nevada that I have had this feeling all along—that the amount provided in his amendment as a loan guarantee was too high, and that the figure should be reduced somewhat along the same line as that proposed by the Senator from Missouri.

Mr. CANNON. When I originally proposed the loan guarantee provision in the Committee on Commerce, I proposed it in the amount of $100 million rather than $500 million. The $500 million was included by reason of a recommendation of another member of the committee. I am hopeful that a reduction in that amount could be considered because I hold no brief for the $500 million figure.

On the other hand, I agreed that so long as the loan guarantee provision is only a limitation on the authorization of guarantees and does not mean that there will be the expenditure of that amount of money over the original period, I did not oppose the inclusion of that amount. It was simply for the purpose of fixing the maximum period of the loan guarantee authorization rather than the prospective spending of that amount.

Mr. SPARKMAN. It seems to me that, standing alone, the high figure for either the grant program or the loan guarantee program would be justified. But when both are included in the same bill, then I think both items can stand a reduction. For that reason, I intend to support the amendment of the Senator from Missouri.

Mr. WILLIAMS of New Jersey. Mr. President, I agree with the statement of the chairman of our subcommittee. With the addition of the loan guarantee program, there is not the need for an extended grant program. I know that in both the committees and on the floor there has been a very large measure of accommodation by Senators to the efforts of the members of the committees on the bill. There have been earnest reservations about budgetary situations. Therefore, I, too, am happy to accept the amendment.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment as a substitute for the amendment offered by the Senator from Missouri. I ask that the substitute amendment be read.

The VICE PRESIDENT. Let the Chair inquire whether the Senator from Missouri and the Senator from Alabama yield back the remainder of the time available to them, in order that the substitute may be in order.

Mr. SPARKMAN. Mr. President, I yield back the remainder of the time available to me on the Symington amendment.

Mr. SYMINGTON. Mr. President, reserving the right to object, let me state that in case I do not favor the amendment proposed by the distinguished Senator from Ohio, I presume I shall have time to discuss it.

The VICE PRESIDENT. The time in opposition will be in the control of the Senator from Alabama.

Mr. SYMINGTON. Mr. President, the majority leader tells me that if I yield back the remainder of the time available to me, I shall be able to obtain some time on the bill. Therefore, I yield back the remainder of the time available to me on the amendment.

The VICE PRESIDENT. The remaining time available on the amendment is yielded back by the Senator from Missouri and the Senator from Alabama; and the Senator from Ohio [Mr. LAUSCHE] is recognized.

Mr. LAUSCHE. Mr. President, is my amendment in order?

The VICE PRESIDENT. Yes; and it will be stated.

The LEGISLATIVE CLERK. On page 3, in line 9, it is proposed to strike out, after the word "bonds," all of the provision down to and including the word "otherwise," in line 13.

And on page——

Mr. LAUSCHE. Mr. President, I ask that the further reading of the amendment be dispensed with.

The VICE PRESIDENT. The Parliamentarian informs the Chair that the amendment is not in order, because it is drafted as a substitute for another part of the bill.

Will the Senator from Ohio be willing to have the Symington amendment disposed of, and to offer his amendment later?

The Parliamentarian informs the Chair that the amendment is not in order as a substitute for the Symington amendment; but after the Symington amendment is disposed of, the Senator from Ohio can offer his amendment.

Mr. LAUSCHE. Mr. President, I offer it as an amendment to the amendment of the Senator from Missouri.

The VICE PRESIDENT. Then does the Senator from Ohio wish to redraft the amendment, so it will have that effect?

Mr. LAUSCHE. Yes.

Mr. SPARKMAN. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. SPARKMAN. Two bills are before us; both are identified as S. 6. One is a substitute, and the other is the original bill. That situation is somewhat confusing. Perhaps the Senator from Ohio drafted his amendment as an amendment to the other bill.

The VICE PRESIDENT. The Chair suggests that the Senator from Ohio either redraft his amendment or consent to the taking of the vote on the Symington amendment, and then offer his amendment.

Mr. LAUSCHE. Then, Mr. President, I should like to have time to speak on the Symington amendment, inasmuch as the Chair has ruled that my amendment is now out of order.

The VICE PRESIDENT. The Parliamentarian makes it abundantly clear that the amendment, as drafted, is not in order, because it is not an amendment to the Symington amendment.

Mr. LAUSCHE. Mr. President, in the event the Symington amendment is agreed to, will an amendment to strike from the bill all the provisions dealing with grants then be in order?

The VICE PRESIDENT. Yes.

Mr. LAUSCHE. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri [Mr. SYMINGTON]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE], the Senator from Utah [Mr. Moss], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from California [Mr. ENGLE] and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

The result was announced—yeas 89, nays 8, as follows:

[No. 34 Leg.]

YEAS—89

Aiken	Ervin	Long, La.
Allott	Fong	Magnuson
Anderson	Fulbright	Mansfield
Bartlett	Goldwater	McClellan
Bayh	Gore	McGee
Beall	Gruening	McGovern
Bennett	Hart	McIntyre
Bible	Hartke	McNamara
Boggs	Hayden	Mechem
Brewster	Hickenlooper	Metcalf
Burdick	Hill	Miller
Byrd, Va.	Holland	Monroney
Byrd, W. Va.	Hruska	Morse
Cannon	Humphrey	Morton
Carlson	Inouye	Mundt
Church	Jackson	Muskie
Cooper	Javits	Nelson
Cotton	Johnston	Neuberger
Curtis	Jordan, N.C.	Pastore
Dirksen	Jordan, Idaho	Pearson
Dominick	Keating	Pell
Douglas	Kuchel	Prouty
Eastland	Lausche	Proxmire
Edmondson	Long, Mo.	Randolph
Robertson	Sparkman	Williams, N.J.
Russell	Stennis	Williams, Del.
Saltonstall	Symington	Yarborough
Scott	Talmadge	Young, N. Dak.
Simpson	Thurmond	Young, Ohio
Smith	Tower	

NAYS—8

Case	Ellender	McCarthy
Clark	Kefauver	Ribicoff
Dodd	Kennedy	

NOT VOTING—3

Engle	Moss	Smathers

So the amendment was agreed to.

Mr. SYMINGTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. SCOTT. Mr. President, I call up my amendment and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 22, after line 21, it is proposed to insert a new subsection (b)—and to reletter succeeding subsections—as follows:

(b) To insure that small business concerns are given an equitable opportunity to share in all procurement aspects of any project for which a loan or grant is made under this Act, the Administrator shall cooperatively develop with the Small Business Administration within four months after the effective date of this paragraph a small business contracting program to be applicable to all such projects. The program shall contain such provisions as may be necessary to (1) enable small business concerns to have an equitable opportunity to compete, either directly or as subcontractors, for contracts and procurements for property and services awarded in the implementation and effectuation of the purposes of this Act, and (2) enable the Small Business Administration to obtain from the local public bodies and mass transportation companies such reasonably obtainable information concerning contracts and procurement, including subcontracts thereunder, awarded in the implementation and effectuation of the purposes of this Act.

Mr. SCOTT. Mr. President, my amendment would provide that the Small Business Administrator, jointly with the Housing and Home Finance Administrator, would promulgate regulations for the purpose of assuring a fair and equitable opportunity for small concerns to compete for contracts awarded under the program which this bill establishes. The proposed Mass Transportation Act provides for a worthwhile and needed program in helping the urban communities of this Nation to meet their transit problems. I am confident that this program will be helpful. We are hopeful that the program will stimulate increased private investment in transportation facilities in our urban communities. I believe that it will.

If this is the case, we can expect a dramatic increase in procurement activity with respect to these facilities and research and development directed towards the improvement of existing facilities. Indeed, we may be opening new opportunities for the business community by means of this Federal program. I believe that the small and independent business community of this Nation should have an opportunity to participate. It is patterned after a similar program which the Congress approved in 1961 to assure small concerns an equitable opportunity to compete as subcontractors in Government procurement. This was Public Law 87-305, the subcontracting amendment to the Small Business Act. In addition, legislation is pending in the Senate with strong bipartisan support to establish a similar program as a part of the Communications Satellite Act of 1962.

Mr. President, for these reasons I strongly recommend the adoption of my amendment.

I have advised the distinguished Senator from Alabama [Mr. SPARKMAN] of the nature of the amendment. I understand he has no objection to it. It is quite similar to an amendment which the Senator himself offered in connection with another bill.

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

Mr. SCOTT. I yield to the Senator from Alabama.

Mr. SPARKMAN. I have read the Senator's amendment. My understanding is that it is the usual form already provided in the law with reference to Government procurement and Government contracts.

Mr. SCOTT. Substantially so. It would merely provide for consultation to alert the Administrators who have responsibility to the necessity for recognizing the plight of small business.

Mr. SPARKMAN. I think it is a good amendment. I am glad to accept it.

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

Mr. SCOTT. I yield to the Senator from Texas.

Mr. TOWER. I wish to associate myself with the remarks made by the distinguished Senator from Pennsylvania. I, too, support his amendment.

Mr. SCOTT. I thank the Senator from Texas.

Mr. President, I understand the Senator from Alabama has accepted the amendment.

The VICE PRESIDENT. The Senator is correct.

The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. SCOTT].

The amendment was agreed to.

Mr. PROXMIRE rose.

The VICE PRESIDENT. Does the Senator from Wisconsin desire recognition?

Mr. PROXMIRE. Mr. President, will the Senator from New Jersey [Mr. WILLIAMS] yield to me for a question, from the time on the bill?

The VICE PRESIDENT. Does the Senator wish to offer an amendment?

Mr. PROXMIRE. I had not intended to offer an amendment for the time being. I shall call up an amendment in a moment.

The VICE PRESIDENT. Does the Senator from Wisconsin desire to have time yielded to him?

Mr. PROXMIRE. Yes.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator, from the time on the bill.

Mr. PROXMIRE. Mr. President, I call up my amendment No. 26 and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 22, line 16, after "(c)(2)" it is proposed to insert the following: ", (c)(7),".

Mr. PROXMIRE. Mr. President, I shall probably withdraw the amendment, but I wish to make some legislative history with respect to the bill.

On page 45 of the hearings—and I invite the attention of the Senator from New Jersey [Mr. WILLIAMS] to that page—in the next to the final paragraph of the letter written by the Comptroller General of the United States, Joseph Campbell, Mr. Campbell said:

> We believe that the insurance provision should not be incorporated in the bill because the Government usually has followed the policy of self-insuring its properties.

The amendment would provide for bringing the bill into accord with the recommendation made by the Comptroller General, to give the Administrator discretion. If he should feel that self-insurance was the economical way to proceed, he could act in such a way that self-insurance would be secured.

It is my understanding that the committee report expresses the same intention. From my conversations earlier with the distinguished Senator from New Jersey [Mr. WILLIAMS], it is my understanding that the bill now provides discretion for the Administrator to provide for self-insurance if this, in his judgment, is the most economical way to proceed.

Is that a correct understanding?

Mr. WILLIAMS of New Jersey. The Senator is correct. This language appears on page 30 of the committee report:

> The Administrator will review the adequacy of the provision for insurance, or self-insurance, as a part of the review of the application for assistance.

Mr. PROXMIRE. Mr. President, with that in mind I withdraw my amendment No. 26, and call up my amendment No. 28.

The VICE PRESIDENT. The amendment is withdrawn. The new amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 16, line 15, after the period it is proposed to insert the following:

> No grant shall be made for any project pursuant to section 3 unless the Administrator determines that (1) there exists a commitment from non-Federal sources to supply the remainder of the net project cost, and (2) the Federal Government's interest in the project is adequately protected in the event of a default or a failure to complete such project.

Mr. PROXMIRE. Mr. President, this amendment is in accord with the recommendation made by the Comptroller General, as it appears on page 43 of the hearings. I quote the one sentence which requests the chairman of the committee to include this kind of provision in the bill.

> We believe also that the bill should contain provisions to require (1) legally enforceable commitments to the Administrator for local grant contributions, and (2) appropriate controls to protect the Federal Governments' interest in the event of default or failure to complete a project.

It is true that in the committee report, on page 22, there is vague and general language to try to achieve the same end, but it seems to me that the clear suggestion of the Comptroller General is not really provided for anywhere in the bill, or even in the committee report.

The bill would provide, after adoption of the Symington amendment, for $375 million of Federal grant money. This is a new program. It is a program which has never been tried in this way before. Under these conditions the recommendations of the Comptroller General, it seems to me, should be given real consideration. Hundreds of millions of dollars are involved.

Why should anyone object to this kind of requirement? In view of the clear language of the Comptroller General and the reasonableness of specifying that there should be legally enforceable commitments for local grant contributions, to protect the public money, and considering the recognition by all of us that there will be a great demand for the $375 million, I hope that the amendment will be agreed to. I have talked with a very considerable number of Senators who have told me that they expect the cities in their own States to qualify for the $25 million maximum amount. It seems to me that the bill should safeguard the Federal Government, so that it can be sure these provisions will be carried through.

Therefore, without taking any further time, unless the opposition wishes to take time, I express the hope that the amendment will be agreed to.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I hope that the distinguished Senator from New Jersey [Mr. WILLIAMS] will give consideration to accepting this amendment.

Mr. MILLER. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I yield to the Senator from Iowa for a question.

Mr. MILLER. The question is asked with a view of trying to clear up the meaning of the language, and possibly to help clarify the legislative history of this proposal.

I should like to ask the Senator what he has in mind by the words "adequately protected"? Is it envisioned that there will be a bonding arrangement of some kind, or will there be some kind of formula according to the amount of property or the fair market value of the property which is perhaps to be subject to lien, in favor of the Federal Government? I was wondering if any recommendations were made by the Comptroller General on that point?

Mr. PROXMIRE. No. The Comptroller General's language, as I read it, was explicit, but limited.

It seems to me that both the suggestions made by the Senator from Iowa are sensible and appropriate. They would not be the only ones to be made. There might well be other ways in which the Government interest could be protected. Those certainly would be two sensible ways in which that could be accomplished.

Mr. MILLER. May I say that I feel the two suggestions I have made would preserve the Government's interests satisfactorily, but I would be very hesitant to give the Administrator discretion to use something that would not stand up in the ordinary business type transaction, let us say. It has been my experience that the Federal Government, when it is interested in preserving its rights in property covered by tax liens, for example, uses a certain formula to make sure the Government's tax interests will be maintained.

Might we say that it would be the intention of the proponent of this amendment that the Administrator, in carrying out this provision, would follow the standards used by the Treasury Department, let us say, which have been of long standing, in making sure the Government's interest is protected?

Mr. PROXMIRE. Yes. I think that statement is an excellent contribution. I think it makes very useful legislative history.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. WILLIAMS of New Jersey. Let me say, first, that this suggestion of the General Accounting Office was one of many that were made last year. Again, it was suggested to our committee this year. We thoroughly considered this proposition last year and this year, and while we did not use the language suggested by the General Accounting Office, the Senator will see in the committee report, on page 22, that the committee's attention was drawn to the question of enforcement. The Senator will find that reference at the bottom of the page.

Mr. PROXMIRE. Yes. I called attention to that.

Mr. WILLIAMS of New Jersey. We feel this meets the hope of the Senator from Wisconsin. I will say that to use the language as he does in the amendment would create administrative legal questions of great complexity back at the community and urban level.

Hypothetically, a city wants to get into the program. It has a 5-year construction program. Part of the money is being taken from the city treasury by vote of the mayor and the common council. To use this language would straitjacket any council. It would require it to bind its suggestions down the line. It would be just as if we in this Congress tried to bind the 89th Congress. We do not do that. We not only have the question of enforcement spelled out but, as was developed in the debate on the Dominick amendments, we know that where there is a default the Administrator of the program knows of the agency's other obligations.

I hope the Senator will not press his amendment.

Mr. PROXMIRE. I feel I must press it, because this is a new program. We have not had experience under the program before. The language in the com-

mittee report is as follows, and I read this one short paragraph:

The committee further believes that no loan or grant should be provided under this section unless the Administrator, at or prior to the time the loan or grant contract is executed, shall have obtained reasonable assurance of performance under the contract by the applicant, including assurances of timely repayment of loans, continuing construction as a condition of eligibility for grants, and such other items as may be necessary to safeguard the interests of the Federal Government.

I submit that is extremely loose and nonspecific language. It would seem to me, in view of the recommendations by the Comptroller General in a field in which he is expert, in which his competence has been demonstrated again and again, that we would have nothing to lose by adopting this language.

The Senator from New Jersey spoke of city councils who would have to bind their successors. It seems to me when we put this much of the Federal Government's money into a program, that is something we should insist upon. After all, the Federal Government is making a grant or gift under this program, and it seems reasonable to me that the very least we should expect is that we have this kind of legally enforceable requirement.

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

Mr. PROXMIRE. I am glad to yield to the Senator from Iowa.

Mr. MILLER. In connection with the Senator's statement that the Comptroller General had made a recommendation, I point out to the Senator that on page 22 of the report of the Committee on Banking and Currency on this very bill is the following statement:

The committee further believes that no loan or grant——

Mr. PROXMIRE. If the Senator will permit an interruption, I just read that language. My argument on that point is that while that is reassuring and nice language, it is extraordinarily general and vague, and there is nothing in the bill itself to provide any kind of legal protection for the Federal Government under this subsection.

Mr. MILLER. I recognize that. The point is that if this is the intention of the committee, there should not be any objection to writing it down on a piece of paper for all to see.

Mr. PROXMIRE. I think the Senator's logic is irresistible.

Mr. MILLER. I cannot see any objection to it. I would say the failure to write it into the language of the bill might lead one to doubt whether that is the intention of the committee. They have a chance to put it in the bill. The Senator from Wisconsin is giving them that opportunity, and we trust that they will accept it.

Mr. WILLIAMS of New Jersey. Mr. President, could the Senator from Wisconsin indicate to us any problems which now exist in that area, where there have been community defaults on Federal programs? I wonder whether we are imagining something or whether he has evidence of such defaults.

Mr. PROXMIRE. I think the Senator has brought up a very good point. What is this program? This is a program to help out an area of our economy which, on the basis of testimony lasting over a period of years, is in trouble, and the funds for projects are provided primarily where they cannot finance the operations out of the fare box. We have been told again and again on the floor of the Senate that there is a crisis and that they need this assistance. It seems to me, under economic circumstances with transit companies going broke, there should be safeguards written in the bill.

I would say the testimony we have had in the hearings this year and last year suggests that in community after community there is real difficulty and there are going to be situations where they could easily become overextended and the Federal Government could lose millions of dollars.

Mr. WILLIAMS of New Jersey. As the language appears now in the amendment, I earnestly suggest again its first effect will be to afford employment for lawyers all over the country in trying to figure out ways by which they can advise their city governments to do something they cannot do now; namely, commit them over a period of years.

Mr. PROXMIRE. The Senator from New Jersey is telling the Senator from Wisconsin that the language on page 22 of the report does not really mean very much. He is telling me, I believe, that the Administrator is not going to be able to provide any legal enforcement which is going to require payment and that under this program we can expect, where the communities or transit systems are in trouble, the Federal Government to lose money and have no legal recourse.

Mr. WILLIAMS of New Jersey. Mr. President, without burdening the city treasuries with lawyers' fees to figure out the Senator's amendment, perhaps it could be altered, to strengthen the assurance of honoring the legal obligation, by, in part 1, saying that there exists a commitment from non-Federal sources to supply the remainder of the net project cost, and in the second part to provide that the Federal Government's interest in the project is adequately protected in the event of a default or a failure to complete such project.

Mr. PROXMIRE. Under that commitment; yes.

Mr. WILLIAMS of New Jersey. Does the Senator accept the amendment as I suggest it be modified?

Mr. PROXMIRE. As modified; yes.

Mr. President, I modify my amendment accordingly, and I move its adoption.

Mr. MILLER. Mr. President, may we have the modification read?

Mr. PROXMIRE. Mr. President, the Senator from Iowa requests that I read the amendment as modified. I shall do so.

On page 16, in line 15, after the period, I would insert the following:

No grant shall be made for any project pursuant to section 3 unless the Administrator determines that (1) there exists a commitment from non-Federal sources to supply the remainder of the net project cost, and (2) the Federal Government's interest in the project is adequately protected in the event of a default or a failure to complete such project.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendment numbered 27.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 15, after the period insert the following:

In determining net project cost for any project to be assisted under section 3, any estimate of revenues shall not be reduced by any amount to be allocated as a reserve for replacement of equipment or facilities.

Mr. PROXMIRE. This amendment is also offered to carry out the recommendations of the Comptroller General. I am convinced that if the amendment is not adopted, the bill's enactment will result either in a substantial enhancement of the net worth of a number of transit companies around the country, an enhancement which Congress does not intend, or it could result in an artificial subsidy of low fares on the basis of the result of this particular provision in the bill which my amendment would correct.

The Comptroller General at page 41 of the hearings, in the next to the last paragraph, states:

With regard to the term "net revenues," we understand from HHFA officials that it is their intention that a fund for replacement of equipment shall be derived from "fare box revenues." In such a case, the Federal Government would, in effect, be paying for a significant portion of this fund because such an accumulation would increase net project cost, two-thirds of which is to be borne by the Federal Government.

Then on page 42, in one sentence, the Comptroller General says:

If the reserve for replacement is not allowed as a deduction from revenues, the cost to the Federal Government would be decreased.

This is exactly what the amendment would do. It would disallow the depreciation cost as a deduction from the net project cost. Of course, this is technical, and it is difficult to understand, but I believe anyone who follows this matter closely can see how unfair this bill is going to be, if enacted without this provision to the Federal taxpayer.

Let me give an example. Let us assume there is a particular proposal for a $10 million project for buses and street railways, and so forth. Let us assume that this money is going to be spent primarily for depreciable property, instead of rights-of-way. Let us assume also that the reserve for replacement of this property would be about a million dollars a year. It would depreciate over a 10-year period. Let us make one other assumption, namely, that the net revenues available, if we exclude depreciation, would be a million dollars. The fact is that if the Senate adopts my amendment, it will be possible for the community to

finance the $10 million project out of fare box revenues without any assistance from the Federal Government, because it would have a million dollars a year, enough to finance a $10 million project. They could do that.

However, if my amendment is not adopted, then the depreciation costs would be deducted from the operating revenues, and we would arrive at a situation in which there would be no net funds available with which to finance a program.

Under those circumstances the community could come to the Federal Government and get a grant of $6⅔ million.

It seems to me that the depreciation cost should not be deducted. If my amendment is adopted after the $10 million loan has been amortized and serviced over a period of 10 years, the transit company is in the position of having its stock completely depreciated and the loan paid off. It will then be in precisely the same position it is in today. It can then finance an additional $10 million purchase with its million dollar annual net income.

But if my amendment is not adopted, the transit operation receives in effect a $6⅔ million gift from the Federal Government of depreciable property. It depreciates this property with a cash reserve and ends up with a multimillion dollar enhancement of its net worth.

It seems to me that we should heed the recommendations of the Attorney General, who recognized this loophole in the bill and recognized the fact that the computation of the net project cost to include depreciation deductions would result in enhancing the worth of a transit company; or, if it were regulated closely, would result in a reduction of fares, subsidized by the taxpayer.

This is a completely valid objection. I hope the distinguished Senator from New Jersey will recognize its validity. If not, I should like to hear why it is not a valid objection.

I apologize for the complications of this subject. It is a complicated accounting problem.

(At this point Mr. KENNEDY took the chair as Presiding Officer.)

Mr. WILLIAMS of New Jersey. The pending amendment, offered by the Senator from Wisconsin, surprises me most of the series of amendments he is offering. I say that quite frankly, because it comes from a Senator who, of course, is a man of unusual acumen in business and finance. What a prudent management accomplishes or attempts to accomplish with annual setting aside of reserves, of funds for later equipment needs, is one of the best business practices.

Mr. PROXMIRE. I approve of it 100 percent. My amendment would not prevent management from doing that.

Mr. WILLIAMS of New Jersey. It would not prevent it, but it would discourage it to the point where it might find it difficult to put away money in reserves for equipment needs later on.

Mr. PROXMIRE. I point out to the Senator that my amendment provides for that. In other words, if they have the income available, it seems to me that they must set it aside in computing their net project cost.

Mr. WILLIAMS of New Jersey. Would the Senator say that if that is done, the local share would be larger by way of contribution to the net project cost, and that the Federal share would be smaller?

Mr. PROXMIRE. Yes; that is what the Comptroller General clearly states.

Mr. WILLIAMS of New Jersey. That is what I am saying; that the money will have to be taken out of reserves, to be applied to the project, and that to that extent the reserve fund of a prudently run company will be reduced.

Mr. PROXMIRE. I believe the Senator can argue that; however, I believe that the Federal Government should not finance operating costs, the costs of wages and salaries, and so forth, or depreciation of equipment.

Mr. WILLIAMS of New Jersey. While a lower Federal contribution and a higher local contribution would occur at the inception of a program, down the road if these prudently run companies cannot put away reserves, then the Federal contribution will be increased, because the companies will not have been able to reserve money for equipment.

Mr. PROXMIRE. If that is the situation. However, if the Senate does not adopt my amendment, the fact is that the transit company will enhance its net worth at the cost of the Federal taxpayer; or, if the regulatory body prevents excessive profits, the fares will be reduced at the cost of the Federal taxpayer.

Mr. MILLER. Mr. President, will the Senator yield at that point?

Mr. PROXMIRE. I am happy to yield to the Senator from Iowa.

Mr. MILLER. I have been following the colloquy with much interest. I would appreciate having the Senator from Wisconsin point out how a transit company would have increased its net worth to an undue degree without his amendment. It seems to me that depreciation is a proper business expense, going to diminish the value of equipment, so that after 10 years it will be down to zero value. That would not add to net worth, so far as I can see, and it would be offset exactly by the $10 million reserve of money in the bank, which balances out. So it appears to me the company would be right where it started.

Mr. PROXMIRE. As I understand, this is the way it operates. Under the bill, if my amendment is not adopted, it would be possible for a transit company to set aside a million dollars a year out of its income and build up, over a period of 10 years—the example I gave—a $10 million reserve. At the same time, the reserve is against equipment which was to the extent of two-thirds a gift of the Federal Government. So what has happened is that there is a reserve on the asset side of the balance sheet which is built up, on a Federal gift. The net effect on the bookkeeping is that the net worth of the transit company would be enhanced unless fares were reduced.

Mr. MILLER. But what the Senator forgets in that computation is that while the company is paying off the loan, and is therefore reducing its liability, it has an offsetting reduction in the value of its equipment in the amount of the depreciation reserve. They balance out. So I cannot see how the net worth has increased, according to the example which the Senator gave, which was $1 million a year revenue, exactly equal to the depreciation amount.

Mr. PROXMIRE. Our difficulty is that we have to decide whether or not we should require transit operations to buy their own equipment when the fare box in fact provides them with enough income after operating costs to do so. If we do not require this, we make a Federal gift that enhances net worth.

Mr. MILLER. When we talk about net worth, we are talking about true assets and liabilities; and the depreciation reserve can be a fiction unless it is supported by money in the bank. The Senator said the money would not go into the bank but would go into the repayment of the loan. So there would not be any money in the bank to back up the depreciation reserve, but there would be a diminution in the loan. That would balance out with the diminution in the value of the rolling stock. Based on the facts which the Senator has given us, I believe the net worth would not be enhanced at all.

Mr. PROXMIRE. The description which the Senator gave would apply to the bill as the Senator from Wisconsin would amend it. But the bill under the present circumstances would provide a grant from the Federal Government. The grant would be a gift, and the transit company would not be under any obligation to reduce or pay back to the Federal Government the amount of that gift. Therefore, there is a situation in which, on the liability side, there is no obligation which has to be repaid.

Mr. MILLER. Then, does the Senator's argument come down to this, that his amendment would, in effect, result in a smaller grant?

Mr. PROXMIRE. That is correct.

Mr. MILLER. In the form of depreciation?

Mr. PROXMIRE. That is correct; that is exactly what the Comptroller General says in his letter.

Mr. MILLER. If that is the true impact of the Senator's amendment, it is something which I think merits much careful consideration. I am sorry I have not had a chance to think this proposal through; but I believe the Senator has a point.

I believe that what he is trying to do is to avoid having one community obtain discriminatory treatment, more favorable treatment, in the form of a better grant from the Government merely because it happens to use a higher depreciation rate than another community which is operating in the same circumstances. If that is so, it may be that the Senator from Wisconsin and the Senator from New Jersey can be brought together by providing a uniform depreciation rate which will be taken into account. Otherwise, there will be discrimination between communities. Community A and Community B might have identical problems, but Community A, in coming before the Administrator to

compute a project cost, might use a 10-percent depreciation rate, while Community B would use a 20-percent depreciation rate. One would obtain a better deal and a better grant than the other.

If I may ask him the question, how does the Senator from New Jersey propose to cover that situation?

Mr. PROXMIRE. The Senator from Iowa has a proposal for uniform depreciation, and I would support it if it were in the form of an amendment; but I prefer to speak to my amendment, which is already so complicated that we are having considerable difficulty with it.

Let me see if I can persuade the Senator from New Jersey along this line: I recognize that the problem is extremely difficult. The Comptroller General sincerely proposed this plan on the basis of a very careful analysis. I have gone over it. I suggest to the Senator from New Jersey that he might be willing to take the amendment to conference, so that there will be a period in which to study it over a couple of weeks, then decide, on the basis of careful study, whether it is not true that there is a situation in which there would be an unintended benefit either to the transit company or to the fare riders, based on the fact that the depreciation should not be deducted before arriving at the funds available for the project cost.

Mr. MILLER. Mr. President, will the Senator from Wisconsin yield on that point?

Mr. PROXMIRE. I yield.

Mr. MILLER. I do not believe the problem is quite so complicated as the Senator from Wisconsin fears it to be. The Senator from New Jersey or the conference committee could submit an amendment comparable to what the Senator's amendment calls for, namely, that in computing the project cost, a cost of depreciation not in excess of a certain rate shall be taken into account. I think that would bring the two Senators together. I urge the Senator from New Jersey to let this amendment go to conference, because I believe there could be discriminatory action and treatment between communities having identical problems, and in very large amounts, because the depreciation on transit equipment runs into millions of dollars.

Mr. WILLIAMS of New Jersey. I may say to both the Senator from Wisconsin and the Senator from Iowa that I did very poorly in accounting in college; but on my personal balance sheet the good will for each Senator is carried at a very significant figure. Perhaps it is bad accounting practice, but I feel that way. Just as the last amendment, or the amendment before it, would make hundreds of man-hours for lawyers, so this amendment, I daresay, would make hundreds of man-hours for accountants.

I really would be reluctant to accept an amendment which is so complex and which has not been heard and about which we do not truly know much.

Mr. PROXMIRE. It is my view that although the subject is complicated to explain, because accounting procedure can be complex, this proposal would not complicate the bill and would not complicate the administration of the act. It is a very simple provision that in computing the project cost, the depreciation cost shall not be included. It seems to me that that can be applied.

Mr. WILLIAMS of New Jersey. Do both Senators agree that if this were done, then back home the local transit companies would be discouraged from following one of the best business practices with which I am familiar; namely, the prudence to reserve money as they go along, so that there will be a fund for replacement when the equipment has to be replaced?

Mr. MILLER. The point made by the Senator from Wisconsin about discrimination between communities, relating to depreciation, is well taken. The point made by the Senator from New Jersey, that the impact should not be quite so severe as the Senator from Wisconsin would have it, because this is good business practice, is a point well taken. It is not a difficult problem at all. All that would have to be done would be to provide for uniform treatment in accordance with Bulletin F of the Treasury Department, which sets forth standards of depreciation rates on transit equipment.

I do not believe this is the time to make a decision on this question. I suggest that the committee of conference, with the assistance of its staff, in the interim, can reach a conclusion which will be simple and readily enforceable, without getting into many complexities.

As I recall, Bulletin F of the Treasury Department, which contains new depreciation rates, provides about 10 percent as the standard depreciation rate on transit equipment. I do not think we have any accounting problems. We could follow the uniform standard of the Treasury Department.

Mr. WILLIAMS of New Jersey. Mr. President, the Senator is making a good point. However, I am not the floor manager of the bill. The Senator from Alabama [Mr. SPARKMAN] is the floor manager of the bill, and he has been following very closely the statements of the Senator. Perhaps we can have a moment to confer.

Mr. President, from the time available to me on this amendment, I yield such time as the distinguished chairman of the subcommittee needs. He is in charge of the bill, and has done an admirable job.

Mr. SPARKMAN. Mr. President, I appreciate the presentation which has been made by the distinguished Senator from Wisconsin. I know he has given a great deal of time and attention to this matter, as well as to others.

We received from the Comptroller General a letter practically identical with the letter we received last year. In the 1962 letter from the Comptroller, 26 points were made. The committee made nine changes in the bill itself. Seven of the points were recognized by changes in the report. After due consideration, six of the points were considered to be invalid. The committee felt that the four remaining points did not come within the jurisdiction of the General Accounting Office.

We have given this matter considerable consideration, and a whole page of the report is devoted to it.

The Senator from Wisconsin has another amendment, which is pending. I should like very much to have him agree not to offer the third amendment, which I think is already covered by the Renegotiation Act. In fact, the amendment pertains to a subject which comes within the jurisdiction of the Finance Committee, not our committee; namely, renegotiation.

So if the Senator from Wisconsin will withhold his last amendment—the one relating to renegotiation, I shall be willing to take this amendment to conference, because I think the Senator from Wisconsin has made a convincing presentation. Frankly, at first I was rather negative to the idea he has presented.

So I shall be glad to take the amendment to conference; but in the interest of time, and also because I do not believe we should consider the third amendment, I should like to ask the Senator from Wisconsin to withhold his third amendment. On that basis, I shall be willing to recommend that we take this amendment to conference.

Mr. PROXMIRE. Mr. President, I recognize the difficulty, particularly in view of the lack of time and the desirability of taking final action soon on this bill. So I think the Senator from Alabama has made an excellent case, and I would be willing to agree to what he proposes.

However, I wish to call attention to the fact that the Comptroller General stated:

> We suggest that section 10 be amended so as to require all such contracts to contain a clause providing for periodic renegotiation in the event any residual profits are earned.

I also point out that in these cases there can very well be very large amounts of residual profits, and great loss to the Government.

Mr. SPARKMAN. But I believe the Senator from Wisconsin will agree with me that renegotiation matters come within the jurisdiction of the Finance Committee. So if this matter is not already covered by the Renegotiation Act—although I believe it is already covered by it—it is clear that this matter should be considered, not by the Banking and Currency Committee or by the Commerce Committee, but by the Finance Committee, of which the Senator from Wisconsin is a member.

Mr. PROXMIRE. I understand; and, therefore, I shall not press for Senate action on the amendment, even though it is, in my opinion, a sound and sensible proposal.

Therefore, Mr. President, I ask that the Senate proceed to vote on my amendment numbered 27.

Mr. SPARKMAN. Very well, Mr. President; in that event we are willing to accept this amendment.

The PRESIDING OFFICER (Mr. INOUYE in the chair). Is the remaining time yielded back?

Mr. SPARKMAN. I yield back the remaining time under my control.

Mr. PROXMIRE. I yield back the remaining time under my control.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

Mr. LAUSCHE. Mr. President, on behalf of myself and the Senator from New Hampshire [Mr. COTTON], I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read the amendments, as follows:

On page 3, line 9, strike out all after the word "bonds" down to and including the word "otherwise" in line 13.

On page 4, line 5, strike out "bonds, grant or loan" and insert "bonds".

On page 4, line 22, strike out "bonds, grant or loan" and insert "bonds".

On page 5, line 5, strike out "bonds, grant or loan" and insert "bonds".

On page 6 strike out all in lines 9 through line 10 on page 7.

On pages 16 through 19 strike out all of section 13, section 14, and section 15.

On page 20, lines 15, 16, strike out the word "grants" and insert "guaranteed revenue bonds".

On page 22, line 24, strike out "loan or grant" and insert "guarantee".

On pages 24 and 25, strike out subsection (e).

On pages 25 and 26, strike out section 16 (a) and 16(b).

Renumber sections accordingly and make technical conforming changes.

The PRESIDING OFFICER. Is there objection to consideration of these amendments en bloc? Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, my amendments contemplate striking from the bill all the provisions which deal with grants. In addition, the amendments direct changing the parts of the bill which must be changed in order to conform to my principal amendment.

I propose that the grant provisions be stricken out—for two reasons: First, because an adequate study has not been made as to how the mass transit problem can be solved in the various metropolitan communities; second, because the Federal Government should not enter into a program of subsidizing local mass transportation.

In 1961, we passed the original bill on this subject; and $12,500,000 was appropriated for the purpose of making studies and tests in regard to how to solve the local problems.

In 1962, six studies were made. Two of them have been completed, but no tests were connected with them.

The first study which was completed dealt with the city of Detroit. It involved a total expenditure of $366,000, with two-thirds being posted by the Federal Government, and one-third by the city of Detroit.

In June 1962, the University of Washington was engaged to make a study—at a cost of $15,000—of the Seattle monorail. That study has been completed.

But now we come to the significant ones which are still pending: The Mass Transportation Commission of the State of Massachusetts was engaged on October 6, 1962, to make a series of experiments in the urban areas of Boston, Fitchburg, Worcester, and Pittsfield, with the project to last for a period of 18 months.

While the contract was made on October 6, work was not begun until December of 1962. The Federal Government has posted $3,600,000 on that project, and the Massachusetts Transportation Commission has posted $1,800,000, making a total of $5,400,000 to be used in paying to the Boston & Maine Railroad $2,200,000 in 1 year to subsidize the railroad to counterbalance the reduction of fares that it charges. That test has proceeded. The test shows that, by reducing fares from $1.99 to $1.10—a reduction of 89 cents per passenger—the Boston & Maine has attracted about 7,000 passengers a day. But the cost to the taxpayers has been $1 a day per passenger. The Boston & Maine is receiving $7,000 a day to reduce passenger fares from $1.99 to $1.10. The study on the Boston & Maine has been in progress for about 3 months, and has 15 more months to go. The result will not be known until 18 months expire.

Another important study that is in progress is in the city of Memphis. The contract was made on December 11, 1962. The study contemplates a determination of the pattern and volume of ridership in the area by establishing full scale mass transit service. The duration of the project is 2 years. Only 3 months of the experiment have been completed. Twenty-one more months must pass before the result of the study and test is determined.

On December 22, 1962, another engagement was entered into with the tri-state transportation committee, which includes New York, New Jersey, and Connecticut. That study contemplates an expenditure of about $256,000. Its purpose is to find out whether people will ride commuter trains if a suburban station is located outside of the central business district, it is easily accessible, and has ample parking facilities. A new station will be built for the Pennsylvania Railroad in New Brunswick, New Jersey, and it will be determined whether, by building the terminal away from the downtown area, passengers will be taken off the highways and put on the Pennsylvania Railroad.

I submit to Senators that when, in 1961, the $12½ million bill was passed to make tests and studies, there was no purpose to enter into a subsidized program until those tests and studies indicated what should be done.

I should like to repeat the status of those studies. The three main contracts were entered into on October 26, 1962, December 11, 1962, and December 22, 1962. No adequate test has been made. No one can tell whether those reductions in fares will take passengers off the highways and put them on the railroad trains.

Mr. President, in connection with those studies, I ask unanimous consent to have printed at this point in the RECORD a study made by the Bureau of Economic and Business Research of the University of Illinois which was concluded in November 1962.

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

AN APPRAISAL OF THE URBAN TRANSIT SITUATION

(By Robert L. Rivers)

In the past few years, the urban transit question has been the focus of many studies and reports pertaining to the problems of the industry and the related problems of urban traffic congestion. Federal funds are now being made available through the Federal Housing Administration for improvements in urban transit systems. It is felt in some circles that a thoroughgoing rehabilitation and modernization of transit facilities is mandatory in order to resolve urban transportation difficulties and to provide for balanced transportation systems in urban areas.

The purpose of this inquiry is to present an analysis of metropolitan transportation with reference to those factors which have contributed to the growth and decline of mass transit. Since there is much agitation on the part of planners to try to restore public mass transit to its former status as a major passenger carrier in metropolitan areas, an appraisal of the trends over the past decade is made in order to determine the future prospects for mass transportation.

THE TRANSIT FUNCTION

Metropolitan transit, as the term is ordinarily used, is the conveyance of people within a metropolitan area with a regularity of frequency between readily identifiable points. This function can be accomplished by any means of transportation available. In the past it was most commonly accomplished by street railway and rapid transit. However, as new means of transportation became available, substitutions by the motor vehicle with expressways, and more recently, air commuter service has broadened the modes of transit available to the individual. Hence, the transit function can be performed by mass transportation facilities, the private automobile, and more recently by the airplane.

FACTORS OF URBAN CONCENTRATION

Before the appearance of the motor vehicle, street railways and commuter railroads were the primary means of mobility in urban areas. In their capacities as concentrators of traffic, they carried people to points of economic agglomeration, such as civic, retail, financial, wholesale, administrative, manufacturing, and recreational centers. As traffic distributors they performed their functions equally well in returning people to their points of origin. Even though much of the routing was indirect as a result of the general practice of having routes converge on the central business district, urban transit provided the highest known degree of efficiency for the movement of people from one place to another.

The agglomeration of economic functions operated as a centripetal force in attracting new business and in the expansion of existing ones. As land values increased in these areas, the land became more intensively utilized, and the less productive users relocated on less expensive land away from the core area, but usually on or close to transit routes in order to retain the greatest degree of accessibility. In like manner, people considered the availability of public transportation in choosing their dwelling sites. Hence, transit route patterns were sharply oriented toward the city core areas. These elements, along with many others, resulted in a high degree of concentration of people along transit routes, which provided the required density of traffic per mile of route for profitable operations.

Under the stimulus of economic concentration in urban areas, the demand for effi-

cient public transportation increased. Expansion of transit facilities occurred rapidly to meet the increased demand, in many cases to the point of oversupply. As equipment and operating techniques improved, street railways and commuter railroads provided a quality of service which could not be equaled or surpassed by any other form of transportation. Since there were no adequate substitutes, people had no alternative but to use them; hence, they possessed a virtual monopoly on local passenger movements.

THE DECONCENTRATION MOVEMENT

Transit traffic peaked in 1926 at slightly over 17 billion passengers where it hovered until 1929 when it began a progressive decline.[1] Because of wartime restrictions on the use of the automobile, transit travel revived and reached its highest peak in 1946 when more than 23 billion passengers were carried.[2] Following the resumption of motor vehicle production in 1946, transit traffic began a second decline which has continued to the present day. Although the automobile may be regarded as the primary cause of transit difficulties, there are other factors of technical, social, and economic change which have exerted and are continuing to exert strong pressures in molding the nature of future urban transportation patterns. These factors include, among others, industrial location and relocation, urban deconcentration, changing patterns of land use, urban redevelopment programs, and the trend to the suburbs.

THE RISE OF THE AUTOMOBILE

Local transit operators felt the influence of the automobile at about the same time that the railroads began to sense the impact of the motor truck. The high degree of convenience and flexibility of operation of the motor vehicle permitted a reorganization of personal transport functions to best suit the origin and destination needs of the individual and no longer required conformance to rigid route patterns and schedules. In terms of service, the competitive efficiency of the automobile as compared with local transit was felt fairly quickly by the public carriers.

From somewhat humble beginnings in the late 19th century, automobiles increased rapidly in numbers, as indicated by registration data. In 1900, only 8,000 motor vehicles were registered in the United States. The number of registrations rose in succeeding years until just before World War II when 29.5 million private passenger cars were registered. Following the war, automobile production resumed and the total number of privately owned passenger cars more than doubled by 1960.[3]

The period of postwar prosperity along with generous credit terms stimulated much automobile buying, and riding on public transit systems dropped. As people moved beyond the range of transit and commuter lines, the automobile became an almost indispensable accessory to human living. In fact, in many places the automobile is a basic necessity because of the lack of any public transportation.

With the increasing number of motor vehicles, improved and new highways to and from the cities were sought in order to facilitate contact with jobs and other social and economic functions. The shift of much freight tonnage from railroads to trucks added additional pressure to the demand for an expanded and improved system of streets and highways.[4] After much study Congress came to grips with this problem in 1956 when it passed the Interstate Highway Act, which provides for a system of limited access highways and their urban extensions. The cities have benefited most from the urban extension provisions, inasmuch as the Federal Government pays 90 percent of the cost of constructing expressways through urban areas.

INDUSTRIAL RELOCATIONS

The increased technical efficiency of the motor truck and improvements and expansion of the highway system have reduced industry dependence on the railroads to serve a large portion of their transportation requirements. The ubiquitous motor truck has made possible the location of industrial activity at less congested locations, especially along newly built limited-access highways. In many cases, moreover, the problem of gathering together at existing sites a sufficient number of land parcels whose titles rest with a number of owners has discouraged expansion in the central city. The difficulty is further compounded since the land is usually broken up by a pattern of city streets, and the problem involved in obtaining closings and titles is at best a costly and long-drawn-out process.[5] In addition there are the factors of technological improvement in industrial processes where heavier machinery and modern materials-handling equipment have been installed, which, because of increased weight and operating considerations, require the use of monitor-type buildings in lieu of older multistory structures. Hence, a company can expand or relocate at less cost on a parcel of vacant land, which is ordinarily not available in sufficient size within the central city. In one recent year more than one-half of the factories, over two-fifths of the retail stores, and one-fourth of the office buildings were built in the suburbs.[6] Between 1929 and 1954 the number of manufacturing jobs in urban areas dropped from 67 percent to 57 percent of the total jobs, and the number of retail jobs dropped from 78 percent to 63 percent.[7]

People will tend to go where the jobs are, and the retail trade will follow the population. Hence, new housing developments arise in the suburbs, followed in turn by the construction of shopping centers. These shopping centers have a tendency to generate more shopping traffic and to create a practically new downtown district. One common denominator present in these business locations and relocations outside of the core area is the emphasis on the provision of adequate parking spaces for both customers and employees.

URBAN REDEVELOPMENT

One purpose of urban redevelopment is the clearing of areas containing slum housing and of abandoned or marginal industrial plants and reclaiming the land for public low-cost housing or for industrial parks. The land may also be taken over for the construction of an expressway. In appraising urban redevelopment programs two factors stand out: (1) there is less intensive utilization of the land, thereby tending to foster deconcentration; and (2) emphasis is placed upon access by motor vehicles.

THE TREND TO THE SUBURBS

In the postwar years the suburban trek has accelerated at a rapid pace. Vacant lands at the peripheries of and just beyond the city limits have been converted into housing developments, characterized chiefly by single-family homes with land plots ranging, on the average, from about one-fourth to one-half acre in size. The result is a low-density sprawl. The desirability and success of these developments is primarily dependent upon their being accessible by automobile. Attempts to extend metropolitan transit lines to these areas have met with little success because of the low traffic density and the fact that the automobile had already preempted this transport function. It is in these areas where the majority of the two-car families are to be found.[8]

The trend to the suburbs has depleted central city populations. Census reports indicate that many cities have lost a number of inhabitants over the past decade.

TABLE 1.—*Changes in population of central cities and their suburban areas, 1950–60*

Locality	Population (in thousands)		Percentage change
	1950	1960	
Boston:			
Central city	802	697	−13.1
Suburbs	2,043	2,412	+16.4
New York City:			
Central city	7,892	7,782	−1.4
Suburbs	5,526	7,631	+38.1
San Francisco-Oakland:			
Central cities	1,160	1,110	−4.3
Suburbs	1,347	1,673	+24.2
Pittsburgh:			
Central city	678	604	−10.9
Suburbs	1,443	1,801	+24.8
Baltimore:			
Central city	949	939	−1.1
Suburbs	388	699	+80.2
Washington, D.C.:			
Central city	802	764	−4.7
Suburbs	657	1,238	+88.4
Minneapolis-St. Paul:			
Central cities	833	796	−4.4
Suburbs	284	633	+122.9
St. Louis-East St. Louis:			
Central cities	940	832	−11.5
Suburbs	742	1,162	+56.6
Portland, Oreg.-Vancouver, Wash.:			
Central cities	415	405	−2.4
Suburbs	289	417	+44.3
Cleveland:			
Central city	914	876	−4.2
Suburbs	551	921	+67.1

Source: Computed from standard metropolitan area tables in Donald J. Bogue and Calvin L. Beale, "Economic Areas of the United States" (New York: Free Press of Glencoe, 1961).

Table 1 shows the effects of population shifts on 10 central cities in the United States. Over the period from 1950 to 1960, the central city populations declined 1 to 13 percent, whereas their suburbs increased 8 to 123 percent.

Although there are some indications of a return to the cities, the evidence is currently fragmentary and inconclusive. The Wall Street Journal has reported that owners of new office buildings are finding it harder

[1] "Transit Fact Book," 1944 (New York: American Transit Association), p. 15.

[2] "Transit Fact Book," 1951, p. 15.

[3] "Automobile Facts and Figures, 1961" (Detroit: Automobile Manufacturers' Association), p. 18.

[4] From 1947 to 1961, the share of railroad ton-miles of freight declined from 66 percent of the total to 43.3 percent, whereas that of motor trucks, over the same period, increased from 10.1 percent to 22.6 percent of total ton-miles. "Yearbook of Railroad Information," 1961 and 1962 editions (New York: Eastern Railroads Presidents Conference), p. 4.

[5] These and other problems faced by urban businesses are discussed by Raymond Vernon in "What Is the Business of Cities?" Ch. 2. of "The Little Economies: Problems of U.S. Area Development" (New York: Committee for Economic Development, 1958), p. 14.

[6] John Christie and Melvin J. Goldberg, "The Crisis of Cities: Industry Heads for the Open," Dun's Review, February 1960, p. 36.

[7] Raymond Vernon, loc. cit., pp. 14–15.

[8] Automobile Facts and Figures, 1962, states that 40 percent of the households with two or more cars are in the suburban areas. P. 35.

to attract tenants. Concessions are being offered in the form of free rent for 3 months, free carpeting, and the payment of moving expenses.[9] A similar situation prevails in the case of new apartment buildings and similar concessions are being made. The vacancy rate has increased from 5 to 20 percent in the past year, and rents are being reduced.[10] This is in sharp contrast to the situation which prevailed a year or two ago when new apartment buildings under construction in the cities were fully rented prior to completion. It should be noted that these new structures provided for the storage of the occupants' automobiles.

EFFECTS ON TRANSIT OPERATIONS

The pressure of increasing numbers of motor vehicles, parking facilities, and expressways, along with other centrifugal forces exerted upon central cities, has had a strong adverse effect upon transit operations. Table 2 indicates a 10-year trend in revenue passenger-miles for rapid transit and for surface operations. There was a continued decline in rapid transit riding from 1950 to 1958 of 32.6 percent; however, between 1958 and 1960 there was a slight recovery in rapid transit riding which increased revenue passenger-mile by a little more than 3 percent.

TABLE 2.—*Trends in revenue passenger miles, 1950–60*

Year	Revenue passengers (millions)	Vehicle miles (millions)	Revenue passenger-miles (millions)
RAPID TRANSIT			
1950	2,113	443.4	936,904
1951	2,041	424.0	865,384
1952	1,982	400.4	793,593
1953	1,903	391.1	744,263
1954	1,781	376.3	670,180
1955	1,741	382.8	666,455
1956	1,749	387.1	676.038
1957	1,706	388.0	661,928
1958	1,635	386.5	632,928
1959	1,647	388.7	640,189
1960	1,670	390.9	652,803
SURFACE LINES			
1950	11,732	2,564.2	30,083,194
1951	10,840	2,489.4	26,985,096
1952	10,040	2,414.1	25,106,640
1953	9,133	2,304.4	21,046,085
1954	8,077	2,172.5	17,547,283
1955	7,448	2,064.7	15,377,886
1956	7,007	1,979.5	13,870,357
1957	6,632	1,901.5	12,610,748
1958	6,143	1,814.5	11,146,474
1959	6,003	1,770.2	10,626,511
1960	5,851	1,751.9	10,250,370

Source: Computed from "Transit Fact Book," 1951 and 1961 editions (New York: American Transit Association).

For surface operations, revenue passenger-miles decreased by 65.9 percent over the 11-year period. This figure is subject to qualification because it includes operations in small cities as well as large and reflects service abandonments; both factors would tend to accentuate the decline percentagewise. If transit operations are broken down according to population groups (table 3), it may be noted that the attrition in numbers of passengers in surface operations has been highest in cities under 500,000 population. In contrast to rapid transit operations, the figures do not indicate any recovery in traffic for any population group between 1958 and 1960. However, the decline has been smallest for cities of over 500,000 population.

[9] "Business Bulletin," Wall Street Journal, July 12, 1962, p. 1.

[10] "Business Bulletin," Wall Street Journal, June 28, 1962, p. 1.

TABLE 3.—*Percentage change in revenue passengers by population groups, 1950–60*

Population group	Revenue passengers (millions)		Percentage change
	1950	1960	
Over 500,000	5,207	2,977	−42.8
250,000 to 500,000	2,007	911	−54.6
100,000 to 250,000	1,585	691	−56.4
50,000 to 100,000	1,323	554	−58.1
Less than 50,000	728	230	−68.4

Source: "Transit Fact Book," 1951 and 1961 editions (New York: American Transit Association).

Another aspect of the current transit situation is gleaned from the statistics on the number of companies which have abandoned service. From January, 1954, to April, 1960, 288 transit companies abandoned all or part of their operations. Of these, 17 were engaged in suburban service. As a result, about 65 cities and towns were left without any transit service. These abandonments of service occurred in centers of less than 25,000 population. In 19 cases, the service was resumed by a local governmental agency; in the remainder, new private operators instituted service or existing companies expanded their operations to fill the void.[11]

In appraising the prospects of the transit industry, expected developments must be considered. The trend of automobile ownership will not be reversed. Metropolitan areas will tend to become increasingly important and their suburban areas are likely to continue to grow. If the centripetal forces exerted by the central city are strong enough, there will be substantial movements of people in and out of the core areas. Whether or not transit service will be justified will depend largely on the circumstances peculiar to each area.

SOME THEORETICAL LIMITS TO DECONCENTRATION

It would be erroneous to assume that the process of deconcentration will continue indefinitely. There are practical and possible theoretical factors which may operate to circumscribe this tendency, and consequently permit the operation of transit services in certain cities for some time in the future. Some of these factors are advantages of location, social and economic costs, and other strong centripetal forces.

Some cities, such as New York and San Francisco, have experienced a low rate of deconcentration (table 1). These cities are important gateways for commerce. Their strong economic advantages of location, good harbor, well-developed land transportation, and the presence of financial and other important services provide strong centripetal forces for these cities.[12]

Social and economic costs may tend to check the rate of deconcentration. Travel time between the central city and the suburbs will place effective limits on both population and business deconcentration. If a business moves too far out in the suburbs, the increased travel time for some employees may cause them to seek alternative sources of employment. Too, no business unit is completely self-sufficient. It must depend often upon the efficiency of contact for the products and services of other companies in order to operate effectively. It should be observed that these limitations to deconcentration are relevant to the present state of the arts. Improvements in the technology of transportation and communication, on the other hand, would permit a greater degree of decentralization.

[11] Data furnished by courtesy of the American Transit Association.

[12] For a good generalized coverage of this area, see Jean Gottman, Megalopolis (New York: Twentieth Century Fund, 1961), ch. 1.

There are other centripetal forces which will act to retard decentralization and which exhibit concentration tendencies. Studies indicate that cities with a high degree of office-oriented employment are a significant factor in the flow of commuters in and out of central cities. This type of activity appears to be resistant to the forces of decentralization.[13] For the most part, these workers live in the suburbs and commute to and from work. Further evidence of this fact may be found in a study by the Civil Defense Administration in 1955 which compares the daytime versus resident populations of selected cities. Although more recent figures are unavailable, these data indicate the degree of strain which is placed upon transport facilities during the commutation periods. The continued decrease in transit passengers and the increasing rate of motor vehicle registrations show the strain to be most severe on the highway system.

Generally speaking, central cities with low rates of deconcentration and with strong centripetal forces are likely to suffer from increased traffic congestion and to find that the problem becomes increasingly difficult to solve. Certain assumptions may be made on the basis of the figures in table 1. Some cities may have lost population in the 1950–60 period because they were overconcentrated. The centrifugal forces may have been responsible, or the city (and even the entire area) may have lost some of the economic advantages which it had at one time. However, where a city shows a low rate of population decline but a high rate of suburban growth, it may be assumed that this peripheral cluster of economic activity has a significant economic relation to the central city and, therefore, is strongly oriented toward it. If such is the case, the amount of commuter traffic in and out of the central city will be increasing sharply. Under such circumstances, depending upon the nature and characteristics of the city involved, economically feasible mass transit operations may be possible.

TABLE 4.—*Comparison of daytime and resident populations in selected cities* [1]

City	Resident population	Daytime population	Percentage increase
Baltimore	949,708	1,071,104	13
Boston	801,444	1,075,107	34
Cleveland	914,808	1,085,830	19
Minneapolis	521,718	593,477	14
St. Paul	311,349	346,267	11
Pittsburgh	676,806	1,011,618	49
New York	7,891,957	8,201,842	4
Portland, Oreg	373,628	468,699	25
St. Louis	841,000	1,002,200	19
San Francisco	775,357	1,012,145	31
Oakland	384,575	491,670	28
Washington	859,000	980,100	14

[1] Based on 1950 census.

Source: Federal Civil Defense Administration, Annual Report, 1956 (Washington: U.S. Government Printing Office, 1957), pp. 13–15.

TENDENCY TOWARD A NEW EQUILIBRIUM

It is evident that there are two sets of forces at work which are shaping future city patterns: one is centrifugal in nature, and the other is centripetal. The centrifugal forces are exemplified by the requirements of the motor vehicle for space for movement and parking facilities (frequently causing displacement of land from other uses), relocations of industry, the population movement to the suburbs, and the rise of shopping centers away from the core areas.

Centripetal forces are characterized by urban renewal programs for housing and industrial parks, new luxury apartment house construction, and urban shopping centers.

[13] Ibid., p. 639.

The interactions of the centripetal and centrifugal forces are exerting strong influences which are remolding the physical and economic structures of central cities. These forces will continue to operate until a new equilibrium in population density and in economic activity is reached. The new equilibrium is likely to be conditioned to a considerable degree by the number of motor vehicles in urban areas. It is estimated that by 1972, the United States will have 101 million registered motor vehicles of all types, and that 70 percent of these will be concentrated in urban areas.[14] Thus, it appears at the present time that the centrifugal forces are the stronger ones and that for some time to come most central cities will continue to deconcentrate. Measured against the prospective needs of this new equilibrium, it appears that an imbalance of transportation facilities exists at present, namely, an oversupply of mass transit facilities brought about by a shift in preference for the automobile, while on the other hand, there exists a shortage of facilities to handle motor vehicle requirements.[15]

In the determination of the new equilibrium for cities, it is at this point that the work of planners is most critical. Account must be taken of both the centrifugal and centripetal forces in planning future land uses, especially in redevelopment projects, utilization of vacant lands, and the provision of adequate transportation facilities in order to maximize the productivity of urban lands.

NEW MASS TRANSIT PROPOSALS

Proposals have been advanced for the construction of new rapid transist systems for Atlanta, Los Angeles, San Francisco, Pittsburgh, and Miami, and for extensions and improvements to existing systems in Boston, New York, Philadelphia, and Chicago. The proponents of these programs have received encouragement from President Kennedy's $500 million program of Federal aid for establishing new rapid transit systems and improving existing facilities. A bill to carry out these recommendations failed to pass the 87th Congress in the closing days of the session. It is expected that a revised bill for Federal aid to rapid transit will be introduced at the next session. However, two of the above proposals for new transit systems were submitted to the voters in San Francisco and Atlanta. In San Francisco the proposal passed by a margin of 0.7 percent of the required 60 percent affirmative vote; in Atlanta the electorate voted against the rapid transit proposal.

Advocates of rapid transit urge that such facilities are necessary for the preservation of the central city and the relief of traffic congestion, and that such transport systems are more efficient in terms of land utilization, are less expensive to construct than expressways or freeways, and will reduce the necessity for the construction of such a large number of the latter facilities.[16]

Although the claims in support of new rapid transit may be meritorious, they are subject to criticism. In the first place, transit will not necessarily help to preserve the central city, since transit is no longer the prime mover of people but is now a supplemental and specialized form of transportation. Furthermore, there is no valid reason for the preservation of an outmoded and inefficient central city core area any more than there is for the perpetuation of an antiquated and high-cost manufacturing plant. It is reasonable to assume that cities must modernize and improve along with social and technological progress. Secondly, even if rapid transit facilities are constructed, it is not likely that they will have a very high degree of utilization. The forces of deconcentration have caused the relocation of much business activity and personal services outside the core area, and in many cases outside the central city. Travel patterns now take on a pattern of multiple lateral movements rather than a concentrated focus upon the central city. Hence, origin and destination patterns have become scattered, with the result that there has been a deterioration of the traffic density necessary for successful transit operation. All that is left at present is largely the journey-to-work movement which results in a very low degree of utilization of the facilities.

In the final analysis, it may be said that costs are relative to the general level of income. Even though automobile transportation is more costly, in all respects, than public transit, the average American has found these costs to be bearable and he has become accustomed to them. He will use his automobile in preference to public transit, and he is willing to pay additional amounts in the form of taxes and tolls for new facilities in order to ease his travel problems.

CONCLUSIONS

1. Central cities are tending toward a new equilibrium in terms of density of population and density of business activity. As a result, central cities are showing varying rates of deconcentration, but the growing suburbs are not exhibiting a tendency toward a high degree of concentration which was characteristic of the central cities more than a decade ago.

2. The present rate of urban deconcentration places mass transit operations in a transitional stage. The increasing rate of automobile ownership gives more emphasis to this means of transportation and less to public transit.

3. As a result of increased motor vehicle utilization in urban areas, the existing supply of streets and parking spaces has become inadequate. The basic problem is a shortage of necessary expressways and parking facilities to expedite motor vehicle operation. Until these facilities are provided and properly coordinated with the existing street system there will continue to be a high degree of urban traffic congestion which will impair the operation of all forms of urban transport.

4. The tendencies to deconcentration and the increases in the number of motor vehicles in the number of motor vehicles and their rate of use have raised the operating costs of all forms of urban transport, especially surface mass transit. Congestion restricts movements and results in an increase in running time and in the utilization of an additional number of vehicles to maintain established headways. Furthermore, the movement to the suburbs has not only depleted the traffic base in the central city, but has created many lateral movements for which mass transit is not adapted. Since most fixed-rail rapid transit facilities are generally core oriented, they do not provide for these lateral movements. It is in this area that the automobile has demonstrated superiority. Also, the construction of expressways, both of a lateral and of a direct type, has facilitated direct movements to destination by automobile rather than inducing transfer at some point to a rapid transit line.

5. As a result, the number of motor vehicles in metropolitan areas has continued to increase. Strong proposals in favor of constructing elaborate rapid transit systems are being presented as a solution to the congestion problem. New rapid transit facilities or additions and improvements to existing systems may be justifiable if the economic and social benefits to be gained thereby are in excess of the costs of providing them. These benefits, however, are incapable of objective measurement.

Any proposals for new or expanded rapid transit should be able to demonstrate that (a) the central city has strong or increasing centripetal forces; (b) there are significant points of concentration at both origin and destination points which can generate a substantial volume of traffic, and that there are readily identifiable movements between these points; (c) social costs can be reduced, such as a cut in travel time to work; (d) the system can cover its direct operating expenses; and (e) the transit system will enable the present level of economic activity of the area to be maintained or increased.

6. In the overall picture, expressways have reduced the travel time from the suburbs to the central city; but it is the distribution of the motor vehicles in the core area which is the current problem. Depending upon the city in question, the problem may be solved through the construction of additional motor vehicle distribution facilities to maximize and to ease internal circulation, and thereby to stimulate the economic activity of the area by making it more easily accessible. In other cities, such procedures might result in the disassembly of efficient economic operating areas and bring losses to the entire community, possibly to the point of destroying its economic advantage of location. In such cases, the provision of adequate rapid transit would forestall this result and would provide for a balanced transportation system in the area. Each city presents a separate problem involving varying considerations.

7. No elaborate fixed-rail rapid transit system for a metropolitan area should be contemplated without regard to the utilization of existing and less expensive alternatives, such as the operation of express buses over present and proposed freeways or expressways. In this case, relatively inexpensive rapid transit is readily available since these roads are constructed between known population densities with known travel desires. Inexpensive modifications can be made for the expeditious transfer of passengers at important junction points.

8. Prior to making financial commitments for rapid transit facilities, many cities are in an enviable position to test the feasibility of a rapid transit system at a minimum cost. Existing railroad lines within the metropolitan area may be used with self-propelled equipment on a trial basis in order to evaluate the future prospects of such an operation. Temporary platforms may be constructed for passenger handling at selected locations. The financial arrangements could be handled in a manner similar to those in existence with the Passenger Service Improvement Corp. in Philadelphia. The results of such operations after a trial period could be used as a yardstick to determine whether the arrangement for a limited rapid transit service would be adequate and satisfactory, or whether a more elaborate rapid transit system is required, or whether no rapid transit at all is required for that particular city. The experimental costs would be small in comparison with a large

[14] "25 Million More Cars Coming," U.S. News & World Report, July 30, 1962, p. 40.

[15] For a different, but interesting approach to the equilibrium distribution of commuter traffic with relation to highways and expressways, surface transit, and rapid transit, see Anthony Downs, "The Law of Peak-Hour Expressway Congestion," Traffic Quarterly, July 1962, pp. 393 ff.

[16] The various arguments in support of construction and extension of rapid transit facilities are presented in detail in the hearings of the House and Senate in 1961 on urban mass transportation. See U.S. House of Representatives, Committee on Banking and Currency, hearings before Subcommittee No. 3, on H.R. 7787, 87th Cong., 1st sess. (1961); and U.S. Senate, Subcommittee of the Committee on Banking and Currency, hearings on S. 345, 87th Cong., 1st sess. (1961).

capital investment which would tend to be unutilized.

9. Rapid transit facilities are not the ultimate answer to urban traffic congestion. Even in cities such as New York, where substantial investments are being made to improve rapid transit, the number of motor vehicles in the core areas is increasing rapidly. The number of motor vehicles entering midtown Manhattan on business days has increased from 382,000 in 1948 to 519,000 in 1956.[17] At the same time, rapid transit passengers have increased by more than 40 million from the 1958 low.[18]

In order to achieve a balanced urban transportation system in some cities, additional rapid transit facilities may be required; but also, as in the case of New York, additional facilities for the expeditious handling of motor vehicles are almost imperative.[19]

10. Urban transportation plans must be carefully formulated.

Transportation studies and plans must indicate in detail the need for facilities and their type, location, size, and cost * * * [They] must give consideration to all transportation media, both public and private, existing and proposed, if the most effective and economic overall system is to be obtained. Transportation systems will make provision for substantial automobile commuting and will also utilize railroad and other transit facilities if total transportation needs in most large cities are to be met successfully.[20]

Mr. LAUSCHE. Mr. President, the person in charge of that study was Robert L. Rivers. The study covers completely the development of automobile usage from 1900 to 1962. It shows the evolution of use. In 1900, 8,000 automobiles were used. There are now probably 60 million automobiles on the highways. The humblest family feels it can use an automobile. It will not use a streetcar or railroad. A family desires an automobile because of its flexibility.

Each morning when I come to the Capitol I go by the Army Map Service Building of the U.S. Government on MacArthur Boulevard. Automobile after automobile moves into those buildings, and each contains only one person. It is expensive travel, but the employees will not ride the buses. They desire their automobiles so that they can step out of their houses, into the machines, drive to their place of business, leave it, step into their machines, and return home.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I will yield in one moment. The study of Professor Rivers concludes with the statement that adequate knowledge upon which to establish a permanent program is not available.

[17] Jean Gottman, op. cit., p. 634.

[18] The New York City Transit Authority reported riding as follows: 1958, 1,319 million passengers; 1959, 1,324 million passengers; 1960, 1,345 million passengers; 1961, 1,363 million passengers.

[19] For a discussion of the necessity of providing adequate motor vehicle facilities in large cities, see Eugene Maier, "Urban Transportation Planning Can Succeed," Traffic Quarterly, July 1962, p. 325.

[20] U.S. House of Representatives, Committee on Banking and Currency, hearings before Subcommittee No. 3, statement by Robert C. Weaver, Administrator, Housing and Home Finance Agency, 87th Cong., 1st sess., p. 4.

At this point I also desire to call to the attention of Senators a study and report made by Dr. Herbert Mohring and Oswald Brownlee of the Department of Economics of the University of Minnesota.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the comments relating to the Urban Transit Development Act of 1963, and the Urban Mass Transportation Act of 1963, by Herbert Mohring and Oswald Brownlee, of the Department of Economics, University of Minnesota.

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

COMMENTS RELATING TO THE URBAN TRANSIT DEVELOPMENT ACT OF 1963 AND THE URBAN MASS TRANSPORTATION ACT OF 1963

(By Herbert Mohring and Oswald Brownlee, Department of Economics, University of Minnesota)

The proposed Urban Transit Development Act and the Urban Mass Transportation Act raise three very important questions: (1) Are subsidies to urban transportation activities desirable? If so, (2) what role should the Federal Government play in providing these subsidies and what form should they take? (3) What agency of the Federal Government should administer whatever programs dealing with this subject may be adopted?

To state our position on these questions briefly, a decline in patronage, particularly during periods other than morning and afternoon rush hours, has brought about marked deteriorations in the financial positions of many mass transit systems. Taken by itself, this financial deterioration does not, in our view, justify any type of temporary subsidy program. Even if transit subsidies were deemed desirable, the effects of a temporary program probably would not be lasting. In large measure, the decline in public transit patronage reflects a basic shift in consumer tastes—a shift that is likely to continue in the absence of permanent countervailing action. The very serious inadequacies that presently do and perhaps inevitably must exist in transportation pricing procedures—might provide a sound economic basis for a permanent subsidy program. Even if an economic justification for transit subsidies could be found, however, it would seem preferable to have local rather than Federal Government agencies assume responsibility. Communities can reasonably be expected to be less profligate in their use of dollars that cost them a dollar each than of dollars which, as is the case with the Urban Mass Transportation Act, would have a direct cost to them of only 33 cents. Furthermore, the residents of say, Houston, have little interest in the transit system of New York and vice versa.

Any Federal action as may be taken in support of mass transportation should, we feel, not be taken in isolation but rather within the broader framework of metropolitan transportation as a whole. The specific agency that should be made responsible is not a matter that we feel ourselves competent to judge.

To elaborate, greatly increased real incomes and technological improvements have combined during the last half century to change the automobile from an expensive toy into a convenience well within the reach of the great majority of American families. For a growing proportion of the population, the convenience and time savings associated with automobile transportation have more than made up for its higher dollar costs. As a result, mass transportation patronage has declined.

Two further ramifications of the increase in auto ownership have been detrimental to mass transit service, patronage, and financing. First, the automobile has led to profound changes in the structure of urban areas. Residential population densities have diminished—the much commented upon phenomenon of suburban sprawl. In relative if not absolute terms, commercial and industrial activity has become decentralized. As a result of these changes in urban structure, the demand for service along individual mass transit routes has diminished. Service frequencies have therefore declined. Further shifts from mass to private transportation have therefore inevitably resulted.

Second, the financial problems of mass transportation systems have been compounded by the uneven character of the shift from public to private transportation. Indeed, there is good reason to argue that the financial crisis currently besetting mass transportation systems stems not so much from a decline in patronage per se as from a decline in patronage at the wrong time of day. On most transit systems, the loss in patronage has been concentrated mainly during offpeak hours. Indeed, on many systems, patronage during morning and afternoon rush hours has experienced little if any decline. As a result, the average load factor on mass transit vehicles has declined steadily—a growing proportion of the capacity necessary to meet peakload demands goes unutilized during the remainder of the day.

Clearly, a substantial permanent subsidy program would eliminate the financial plight of public transportation systems. Indeed, by enabling provision of more frequent service at lower prices, subsidies might serve to halt and perhaps even to reverse the decline in mass transit patronage. A substantial research effort might succeed in devising vehicles that could provide rapid, frequent service on low density routes at low cost. Barring this seemingly unlikely possibility, however, it seems doubtful that the effects of a temporary subsidy program would prove lasting. After all, the mass transit crisis is not of recent origin, but has been developing for the better part of half a century. It seems likely that the conditions responsible for this crisis could be reversed, if at all, only by committing substantial resources to the task over a substantial period of time.

Furthermore, even if there were some way of assuring that these conditions could be reversed, there is serious doubt in our minds that doing so would be socially desirable, for the source of the crisis is the various ramifications of an apparently growing preference for the speed and convenience—flexibility—afforded by private passenger vehicles. Consumers are willing to pay for such flexibility.

There is, however, one attribute of metropolitan transportation and, indeed, transportation in general, the ramifications of which might serve to justify permanent subsidies to mass transit systems. This attribute is the fact that both presently employed and, very likely, feasible alternative means of charging for the use of transportation facilities do not adequately reflect the costs of providing these facilities. The capacity requirements for transportation facilities in urban areas are determined by morning and afternoon rush-hour demands. If these two peaks did not exist, capacity requirements and hence the costs of providing transportation facilities would be substantially lower than is presently the case. For this reason, if each traveler were to be charged the costs incurred in serving him—the costs that would be saved if his trip were not made—peak hour travelers would pay substantially higher prices for trips than would offpeak travelers. Clearly our present system of transportation-user charges does not possess this seemingly desirable characteristic. Public transportation fares typically do not differentiate between peak and offpeak loads. Similarly, the level of such highway user charges as gasoline

taxes and license fees is not appreciably affected by the time at which private passenger vehicle operators make trips.

The imposition of higher peak than off-peak transit fares and highway user charges would very likely make a substantial contribution toward alleviating the present crisis in mass transit financing. Also, by discouraging nonwork trips at peak hours and encouraging car pools and perhaps the staggering of business opening and closing hours, such a pricing system would reduce the highway expenditures required to alleviate peak-hour congestion problems.

Charging peak-hour mass transit patrons approximately the cost of providing them with service would be a comparatively easy task. Levying cost-based user tolls on private passenger vehicle operators would be considerably more difficult, however. A very imperfect approximation to cost-based charges is perhaps the most that could be hoped for. If this is in fact the case, a permanent mass transit subsidy program might well prove economically justifiable. That is, a permanent subsidy for peak-hour mass transit service might be required to minimize the money and time costs of metropolitan transportation. Unfortunately, the word "might" must be emphasized. To our knowledge, no one has as yet undertaken the substantial research effort required to determine the nature of optimum metropolitan transportation systems and user charges on these systems when cost-based tolls cannot be levied.

Whether the organization responsible for administering the research and other programs that may develop out of these acts should be the HHFA, the Department of Commerce, or yet a third agency is not a matter about which we feel competent to make recommendations. We do, however, strongly recommend that the agency given responsibility for these programs be authorized to deal with urban transportation as an integrated whole rather than exclusively with public transportation. In dealing with any problem, an integrated rather than a piecemeal approach seems preferable. In this case, the desirability of an integrated approach is reinforced by the great difficulties involved in establishing a genuinely cost-based system of user charges.

Mr. LAUSCHE. Both those men state that we should not enter into a program of subsidies with the meager knowledge at our command.

First, as I have said, we have not had enough experience.

Second, I come to the question of the wisdom of the Federal Government entering into a program of financing local mass transportation. An effort was made to salve the consciences of Senators. Bravely they rose in defense of the taxpayers and voted for the reduction of the subsidy bill from $500 million to $350 million in 3 years.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I should like to conclude my statement. If Senators wish to adopt an economic program and act frugally and prudently on the measure, I ask that they reawaken the remorse which they had within themselves and join me in an amendment that would really result in an economy move.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed a table showing the status of mass transportation demonstration grant program as of January 1963.

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

Status of mass transportation demonstration grant program as of January 1963

[Authorized by the Housing Act of 1961]

A. Total amount of funds authorized for this program: $25 million.
B. Total funds appropriated: $12.5 million.
C. Grants approved by HHFA during 1962:

Date	Recipient	Purpose	Federal grant	Local contribution	Total cost of project
(1) Mar. 29	City of Detroit, Mich	Increasing bus service to determine effect on traffic, and transit use. Project duration: 2 months.	$224,400	$112,200	$366,600
(2) June 29	University of Washington, Seattle	Study of monorail system at Seattle's World Fair. Project duration: 5 months.	10,000	5,000	15,000
(3) Oct. 6	Mass Transportation Commission, State of Massachusetts.	Series of experiments in urban areas of Boston, Fitchburg, Worcester, and Pittsfield. Project duration: 18 months.	3,600,000	1,800,000	5,400,000
(4) Oct. 26	Southeastern transportation compact (SEPACT) made up of Bucks, Chester, and Montgomery Counties in Pennsylvania.	Increase and improve train service (at lower fares); improve parking facilities at stations; initiate feeder-bus service to stations. Project duration: Not determined.	3,116,000	1,558,000	4,674,000
(5) Dec. 11	City of Memphis, Tenn	To determine pattern andvolume of ridership in area by establishing full scale mass transit service. Project duration: 2 years.	194,950		
(6) Dec. 22	Tri-State Transportation Committee, New York, New Jersey, and Connecticut.	To find out if people will ride commuter trains if the suburban station is located outside central business district, easily accessible, and having ample parking. New station will be built for the Pennsylvania Railroad in New Brunswick, N.J. Project duration: 22 to 24 months.	170,790	85,395	256,185

D. Total Federal funds officially expended on mass transportation demonstration grant program as of Jan. 15, 1963: $7,316,140.

Mr. ERVIN. Mr. President, will the Senator now yield?

Mr. LAUSCHE. I yield.

Mr. ERVIN. My question is: Did not the Senator take a little encouragement from the reduction in the amount of the appropriation on the theory that it reflected something of an inclination to save a part of the deficit for later appropriation to other worthy causes?

Mr. LAUSCHE. I found some comfort in it. But, to repeat, I could see standing out within the consciences of my colleagues a remorse and feeling that we must send back home the word that we tried to economize. We reduced the amount authorized in the bill from $500 million to $350 million.

It was a facade. There was no essence to it. In substance it was deceit.

I suppose the newspapers at home will say, "$150 million cut," but what will that mean when we are opening the doorway, establishing the precedent, and setting in motion the train of extravagance which will finally cost the taxpayers in subsidies at least $6 billion and, in all probability, $10 billion?

I have been with this subject for the past 3 weeks, and I have studied it. The mayor of Boston, when he was told that the study showed that the estimated cost would be $9.6 billion said, "That is not so. Who came forth with those figures?" The Senator from Nevada [Mr. CANNON] said they were officially prepared by the Government, which is sponsoring the bill. The estimated cost is $9.6 billion. Two-thirds of that would be $6.4 billion, and that is what Mr. Weaver, the Administrator, said might be the cost, but he brought it down to possibly $4 billion.

If it was estimated to cost $9.6 billion 3 years ago, I think we can safely say that if it were estimated today the cost would be up to $11 or $12 billion.

Mr. CLARK. Mr. President, is the Senator prepared to yield now?

Mr. LAUSCHE. I will yield for one question to the Senator from Pennsylvania.

Mr. CLARK. No, Mr. President. I will wait and obtain the floor in my own right.

Mr. LAUSCHE. Since the Senator from Pennsylvania wants the floor I shall give him an opportunity to answer.

I have read the RECORD. The proponents of the bill are New York, New Jersey, Pennsylvania, and, in a measure, Connecticut. Those are the States asking for it. The thought was initiated by Mr. Symes of the Pennsylvania Railroad, and by Mr. Alpert, of the New York, New Haven & Hartford.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield at that point?

Mr. LAUSCHE. I yield.

Mr. WILLIAMS of New Jersey. Twenty-three Senators are cosponsors of the bill, and they represent almost every geographical region of the country.

Mr. LAUSCHE. I understand that there are 23 sponsors. I heard the argument made yesterday by the Senator from Connecticut [Mr. RIBICOFF]. He said, "We will give to the Mountain States so that they can impound waters. We will give to the Southern States so that their cotton can be subsidized. But give something to us in return for what we are giving to you."

That is not the method used by the Senator from Ohio in performing his duty. Someone can scratch my back with all the pleasantness and generosity he can find, but that will not induce me to scratch his back, when it is wrong.

Let us take a look at the fiscal situation prevailing. While I am on my feet I wish to state that although the junior Senator from New Jersey [Mr. WILLIAMS] is now carrying the ball, the senior Senator from New Jersey [Mr. CASE] initially sponsored this movement. He has been in it for the past 4 years, and I think he was present when President Symes came in, for the Pennsylvania Railroad, and asked for these subsidies.

We shall be asked to raise the ceiling on the national debt to $320 billion before we conclude this session. The purchasing power of the dollar is down to 45 cents, compared to what it was in 1941. Since World War II the national debt has increased $35 billion.

After former wars we paid off the debts in the course of two decades. Nineteen years have now passed, and instead of the debt being paid off, it is larger than it was.

American gold is fleeing to foreign nations. Citizens of the United States are taking their money into Switzerland. They are taking it there because they do not know what is going to happen in our country with respect to the dollar.

Mr. ERVIN. Mr. President, will the Senator yield for a question about economics?

Mr. LAUSCHE. I yield.

Mr. ERVIN. I have been reading what Dr. Heller has had to say, but I read something the other day on economics which I think is far sounder than what Dr. Heller has to say on the subject, and I wonder if the Senator from Ohio agrees with me.

I read that "one has a deficit when what he has is less than he had when he had nothing."

Does the Senator agree with me on that improbable definition?

Mr. LAUSCHE. Yes. The Senator speaks of Dr. Heller, who, with derision, spoke about the puritanical attributes of the modern American. I looked up the meaning of the word "puritanical." It describes a person who adheres to rigid morality. But that is a vice, according to Dr. Heller. That is a course which should not be followed. One should adapt himself to the expediency of the time, even though it is in discord with what a genuine conscience tells an individual to do.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield.

Mr. MILLER. I believe the Senator knows that I concur strongly in what he has been saying. I recall that yesterday the Senator pointed out how incongruous it is for us to be legislating a new, very costly program while at the same time we are holding out to the American people the thought of a tax cut.

I came across an article yesterday which might provide a possible answer for the Senator. I detect from this article, and from other things I have been hearing lately, that the effort toward a tax cut may be diminishing.

For more than 2 years we have been striving to get the economy moving again by spending more than we have been taking in. That policy having failed, the thought was to try for a tax cut, but the tax cut idea is not catching on, because too many people recognize that a $2.7 billion tax cut for fiscal year 1964 would be eaten up by at least that much inflation—though probably greatly in excess—resulting from the $12 billion deficit in the same time.

Mr. LAUSCHE. Mr. President, I limited my other yieldings to questions. I shall have to limit the Senator from Iowa.

Mr. MILLER. May I finish one observation?

Mr. LAUSCHE. Yes.

Mr. MILLER. This proposal will not do the job.

I ask unanimous consent to have the article referred to printed in the RECORD at this point.

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

[From the Wall Street Journal, Apr. 2, 1963]

SPENDING DRIVE: DEMOCRATS IN CONGRESS SEEK BIG PUBLIC WORKS OUTLAYS TO AID ECONOMY—MOVE TO COLLIDE WITH GOP ECONOMY EFFORTS—KENNEDY FEARS SWELLING OF DEFICIT—TAX CUT: TOO LITTLE, LATE?

(By Paul Duke)

WASHINGTON.—Democratic leaders in Congress, fearing tax cuts will be too little and too late, are quietly starting a campaign to fuel the economy with a big extra shot of public works spending.

Their push will collide head-on with Republican economy drives, and it also will clash with White House reluctance to support new deficit-deepening outlays at this time. But the effort could gain enough steam to succeed anyway.

Such leading Democrats as Senate Majority Whip HUMPHREY, of Minnesota, and House Majority Leader ALBERT, of Oklahoma, are helping lead the campaign. House Majority Whip BOGGS, of Louisiana, indicated to a home-State AFL–CIO convention yesterday that the Democrats would seek extra funds beyond the $900 million authorized last year for special employment-boosting public works projects during the following 2 years or so; President Kennedy's budget makes no such provision.

Bills already have been introduced in both House and Senate to double, even triple the $900 million ceiling. And the House Public Works Committee is set to launch public hearings after Easter to generate support for expansion of this seemingly popular program.

FEAR OF DISGRUNTLED VOTERS

These plans mirror the deep-seated fears of many Democrats that the Kennedy administration's tax-cutting program won't do enough to reduce unemployment before the 1964 elections. A cut of the size and timing now expected, they complain, will put only mild zip into the economy by then. If the jobless rolls remain high, they fear many voters may turn against the Democrats in next year's voting.

"I just don't think a tax cut is going to give enough jobs to people in my district to do much good any time soon," is the plaint of a northern House Member from one high-unemployment area.

Hence, Democratic chieftains now contend it's essential to adopt new antiunemployment spending measures this year. Their No. 1 preference is an enlargement of the "temporary" 1962 program whereby Federal funds are channeled into surplus labor areas for park and recreational improvements, water and sewer projects, and the building of local fire stations, libraries, jails, civic centers, and hospitals.

Unlike large public works requiring lengthy advance planning, these lesser projects can swing into job-creating action quickly. Hundreds of communities are eligible to get in on the program, and dozens of Congressmen of both parties have been turning the heat on its managers to win a share for their districts. Though the program began only 5 months ago, the first installment of $400 million appropriated by Congress has been completely allocated and pending applications total about $1.5 billion. The all-important House Appropriations Committee is expected to OK second installment funds this week; as a gesture to economizers it may approve only $450 million instead of a possible $500 million, but the cut would be subject to reversal on the House floor.

GOP CRITICISMS

Despite the program's wide appeal, the attempt to increase the $900 million ceiling is certain to provoke a superheated battle. Republican leaders, who fought the original bill as a "budget buster," will be even more opposed on this go-around. They can hardly look with favor on another big boost in spending at a time when they are shouting for multibillion-dollar reductions in administration fund requests.

Apart from budget considerations, many Republicans contend these public works allotments are little more than sops to troubled areas and really don't get at underlying causes of unemployment. False hopes raised by the program's advocates, say the GOP critics, create tremendous pressures to perpetuate the outlays. In the end, they argue, a permanent depression-days WPA-type program will be spawned if the current program is permitted to continue and expand.

The White House has qualms of a different sort. Mr. Kennedy is hesitant about pushing any plan that might swell by $1 billion or more the $11.9 billion deficit predicted for the fiscal year starting in July. Besides, the administration already is plumping for a $456 million increase, from this year's planned $394 million, in the affiliated program for longer term aid to bring new industry into chronically depressed areas; Commerce Secretary Hodges laid this request before the House Banking Committee yesterday.

An added administration concern is the damaging impact a new public works drive might have on congressional chances for the tax program. If Mr. Kennedy should give the spending push a rousing endorsement, he might suddenly find some of the support for lower levies withering away. And the tax bill still leads the administration's list of most wanted 1963 legislation.

But the White House can scarcely throw cold water on the public works drive. For one thing, many proadministration stalwarts are in the van of the movement. Mr. ALBERT, for example, has personally appealed to the President to go along with the drive; in his southeast Oklahoma district, 12 of the 13 counties are classified as depressed, with 6 percent or more of the labor force jobless.

SENSITIVE TO REPUBLICAN TAUNTS

Furthermore, the administration is sensitive to Republican taunts that it has failed to make an appreciable dent in unemployment. Although Mr. Kennedy has set a goal of reducing joblessness to 4 percent of the labor force, it has dropped only from 6.7 percent to 6.1 percent since he took over in early 1961. Among other barbs, Republican Representative McDADE, a freshman from Pennsylvania, has taken to sending the White House monthly statements on mining unemployment in his Lackawanna County district and lambasting the administration for "doing nothing to solve this unconscionable problem."

Faced with these political realities, the White House is inclined to assume a standoffish stance toward the public works drive. The present indication is that it will neither

encourage nor discourage the effort to increase outlays. At the coming House hearings, administration witnesses probably will support the expansion proposals, but in a way that will leave the initiative entirely in the hands of congressional Democrats.

"They'll take the money if we give it to them but they aren't going to fight for it," concludes one Democratic strategist.

Even if administration support is lukewarm, the extra spending plans will have powerful backing from other directions. Labor unions, mayors, conservation groups, and others are certain to rally behind the campaign. With State and localities confronted with an estimated 160 billion backlog of various public projects, many communities view Uncle Sam's help as a convenient means for easing their financial loads. The program's backers claim the $900 million already authorized will directly generate 110,000 man-years of work (the equivalent of employing 110,000 men for one year), plus an equal additional amount of off-site work needed to supply building materials and other essentials for the projects; extra funds could presumably yield similar stimulus.

The program's extensive potential has gained it lots of boosters. Some 1,200 towns, cities and counties covering about one-third of the Nation's land area are eligible for assistance. Any locality with a prolonged unemployment rate of 6 percent or more may receive grants totaling up to 75 percent of a project's cost so long as the bulk of the work occurs in the first 12 months and new job opportunities are created.

The 3,756 projects approved thus far have covered all 50 States, Guam, Puerto Rico, and the Virgin Islands; men are actually at work on some 1,300 of these projects now. Moreover, program administrators deliberately have spread around the initial allocation of $400 million in an effort to refute last year's accusations that a political slush fund was being set up to help the administration and friendly Democrats.

While most awards have gone to such problem States as Pennsylvania, Michigan and Kentucky, every State has benefited and nearly every Congressman has received one or more allocations for his district.

One of the first Indiana awards was a $282,922 grant toward construction of a $1.7 million new Jasper County hospital in the district of House Republican Leader HALLECK, who's an avowed opponent of the program. Some $3 million in forestry, road building, sewer, and other construction funds have been funneled into the northern Wisconsin district of GOP Representative O'KONSKI. A total of $1.4 million has been set aside for access roads and other improvements to the Ottawa National Forest, in the district of Michigan's Republican Representative BENNETT, an area of serious mining unemployment.

Nor have conservative Southern Democrats been overlooked. A $600,000 grant for a bridge at Gulfport went to the district of Congressman COLMER, of Mississippi, a fervent anti-Kennedy Democrat. Other anti-administration Democrats in South Carolina, North Carolina, Georgia, Florida, Alabama, and Texas have gotten grants for their districts.

But undoubtedly the most influential factor in rallying support will be the nearly 6,000 applications now awaiting action. Even States with below-average unemployment have been pouring in petitions. One example: Louisiana, which has been allocated $12 million in grants thus far, has submitted requests for an additional $108 million.

"We've got seven people doing nothing but answering phone calls and replying to letters asking about the status of the applications," reports an aid to Program Administrator William Batt.

Mr. MILLER. Mr. President, this is an article from yesterday's Wall Street Journal entitled "Democrats in Congress Seek Big Public Works Outlays To Aid Economy."

I ask the Senator from Ohio if this program does not fit into that pattern. Is not the spending of $350 million in grants for a new program in the same pattern of spending to try to get the economy moving again, which we have been going through for the past 2 years?

Mr. LAUSCHE. I agree with what the Senator has said.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator from Ohio has 8 minutes remaining.

Mr. LAUSCHE. How much time does the Senator from New Hampshire [Mr. COTTON] wish?

Mr. COTTON. I would rather reserve a few minutes.

Mr. ROBERTSON. Mr. President, will the Senator yield me 1 minute?

Mr. LAUSCHE. I yield 1 minute to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I hope this amendment will be adopted, because in my opinion it is a very crucial amendment. First, it will test what is going to happen to this bill. All Senators who vote against cutting the amount of money provided in the bill are going to vote for the bill. It is as simple as that. If Senators vote for this amendment, they will have protected the budget from new spending and perhaps it will be a little easier for us later in the session to vote for a tax cut. They cannot vote for new, unnecessary spending, running into a deficit of perhaps $12 billion, and then put a tax cut on top of that.

The second test of this vote is, Do we mean economy when we continue to talk about economy, or are we going to postpone it to some future date? The forthcoming vote will put every Member of the Senate on record for or against economy. A vote for this amendment is a vote for economy, and a vote against it is a vote against economy. The issue is that simple.

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

Mr. LAUSCHE. Mr. President, I will close now. The argument is made that we should serve the people of the country and enter into the proposed new subsidy program. My answer to that argument is that, if the Congress wants to serve the people of this country, it should recognize that the Federal Government's fiscal problems are heavy. They are far heavier than is generally understood. If this were a $350 million program and it was to come to an end, I would not be so concerned, but it is a $6 billion program. When the President submitted the budget about 2 months ago, he made the statement that there are items in the budget which cannot be cut, such as an item of $10 billion for interest. This program would increase the interest obligation. It would increase the national debt. When are we going to build up a reserve, so that if we do get into trouble we will have some "fat" to draw upon? It will not be by this type of program.

I yield to the Senator from New Hampshire [Mr. COTTON] the remainder of my time.

Mr. COTTON. Mr. President, may I ask how much time is left to the Senator from New Hampshire?

Mr. LAUSCHE. Mr. President, I had 45 minutes.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that there are 6 minutes left.

Mr. LAUSCHE. How much time was assigned to me? I had 45 minutes.

Mr. TOWER. Mr. President, I believe under the consent agreement the Senator had 45 minutes.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator has 30 minutes remaining.

Mr. COTTON. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. COTTON. Mr. President, I wish to address myself to this precise amendment. The Senator from New Hampshire was seeking recognition to offer an amendment, sometime before the Senator from Missouri offered his, which was adopted.

The pending amendment is crucial. In the first place, remember that when the bill came from the Banking and Currency Committee—and it was the President's bill—it was a $500 million bill. When it came to the Committee on Commerce, of which I am a member, I am sorry to say the Committee on Commerce added $500 million in guaranteed loans, making it a $1 billion bill.

It has been the purpose of the Senator from New Hampshire for the past few days, at the proper time in this contest, to let the Senate go on record, and have every Member of the Senate go on record, as to whether we shall cut out all of the $500 million grants and keep in the bill only the $500 million guaranteed loans.

Do not misunderstand me. I am still against the bill, because it is a foot in the door for a long, weary course of spending; but if this amendment is adopted, the bill will go back to the amount the President first called for.

Mr. President, I ask for some time on the bill.

Mr. TOWER. Mr. President, I yield 5 minutes on the bill to the Senator from New Hampshire.

Mr. COTTON. The bill would go back to the $500 million that the President first called for, but it is a better bill because that $500 million is in guaranteed loans. Senators will remember that the Commerce Committee's version, which is now in the bill, provides that an additional one-fourth of 1 percent shall be paid as interest by the grantees, the cities, the communities, the recipients, which shall be used for administration of the program, and such part of the money as is left over shall be used to indemnify the United States for any loans that are defaulted by the recipients. In other words, it minimizes the impact of the bill. I grant that I dislike building up the contingent liabilities

of the Nation, but it removes the impact on the current budget that we are going to adopt in this session of Congress.

Of course, a gesture was made—I am sure, with great sincerity—by our friends who reduced the amount by $125 million, but it leaves $375 million in grants and $500 million in contingent loans. The attitude of most Senators on both sides of the aisle this afternoon indicates that they are equally conscious of the fact that we are fast approaching a showdown in the 88th Congress as to whether we can be firm, ruthless, and courageous, in cutting the budget, and holding back new programs, in order that the President's recommendation for a tax cut as a stimulant to the economy of the country may be something we can do practically and successfully.

The vote on the pending amendment is the first battle to decide that question. This amendment is crucial, because it brings the bill back to something like its original size, and it removes the impact on this year's budget and still gives us a chance to reduce it.

Bear in mind that, even with the adoption of the amendment, I must still oppose the bill because of what it opens up and what it leads to, but when the roll is called on this amendment we shall come pretty near knowing whether there is prudence left in the country today or whether we still think we can have our cake and eat it too; increase our expenditures, and at the same time reduce taxes, and by some magic formula succeed in keeping the Nation solvent. At least if the amendment is adopted we will not be adding a single dollar to the budget. If it is not adopted, we will be taking the first step toward busting the budget wide open. That is why this is a crucial vote, and our votes will indicate whether we are willing to go the whole way in holding the line on the budget.

I hope, on this crucial vote, that the Senate will vote a real, bona fide reduction in the bill, rather than one that just salves our consciences and gives us something to talk about when we go home.

Mr. SPARKMAN. Mr. President, it is my plan to speak very briefly on the subject. As a matter of fact, I strongly urge that the amendment offered by the Senator from Ohio [Mr. LAUSCHE] not be agreed to, because it would strike out a great part of the heart of the bill.

Let us remember that as the bill now stands, assuming that the amendments offered by the Commerce Committee are agreed to, there is a duplicate plan of financing. One is a provision for grants, and that amount has been cut now from $500 million to $375 million over a period of 3 years. The other is the loan guarantee program.

I am sorry that the Senator from Ohio [Mr. LAUSCHE] is not on the floor at the present time, because I wish to point out that the Senator from Ohio offered a bill for mass transportation that did have in it the loan guarantee program. The Commerce Committee has added it to the pending bill. We have agreed to accept it. That supplements the grant program that was provided in our bill.

I stated earlier in the day that I thought, due to the fact that we do have the two-headed method of financing, we could very well cut the amount authorized in the bill for the loan guarantee program, although, as the Senator from Nevada [Mr. CANNON] has pointed out, it is not too important that we do so, because it is merely an authorization to use that much for guaranteeing the loans, and does not necessarily call for the appropriation of the full amount.

I regret that the Senator from Ohio made some of the statements that he made relating to the amendment that was offered by the Senator from Missouri [Mr. SYMINGTON], and the vote by the Senators on that particular amendment. First of all, I do not impugn the motive of any Senator at any time on any vote he casts. I believe his motive is something for him to understand himself. I am sorry the Senator from Ohio used the term "deceit," or that there was an element of deceit in connection with the almost unanimous vote of the Senate in favor of that cut. I believe the cut was justified. As a matter of fact, I had it in mind from the beginning of the debate on the bill, after it appeared that the loan guarantee provision was going to be put into the bill. It is simply a matter of some amount not being needed for the grant program. I believe the amendment offered by the Senator from Missouri [Mr. SYMINGTON], was a wise amendment. I believe that the heavy vote in favor of it was a good vote, and well considered, and that no one need explain or apologize for his vote. Certainly I cannot believe that the Senator from Ohio, had he reflected upon the matter a little further, would have implied that there was an element of deceit in connection with the vote.

I believe that the two-headed system of financing that we have in the bill now strikes a very good balance. The amendment offered by the Senator from Ohio should be defeated. I hope it will be.

Mr. CANNON. Mr. President, I oppose the amendment proposed by the Senator from Ohio. As the Senator from Alabama has stated, we now have a two-method approach. I should like further to point out that it is not one or the other approach, but it is an approach which requires an applicant first to apply under the guarantee loan provision. If he can qualify under the guarantee loan provision, he would not be eligible for a grant.

Therefore, Mr. President, it is rather absurd to argue that this is a giveaway type of program, that it is a grant program where grants are not needed. If a grant is not needed an applicant cannot qualify for the grant in the first instance. An applicant must first make application for a guaranteed loan. The Administrator must determine whether the plan is economically feasible, so that it can be financed under the guarantee loan provision. If it can be so financed, that type of assistance will be given.

In committee it was determined that a serious problem exists in this area and that something must be done to relieve it.

Criticism was made that the local governmental agencies have not done all they should at the local level. That is perhaps true. We know it is true in some instances. However, we have inserted a provision in the bill which requires that these steps be taken before an applicant is eligible for either a guaranteed loan or a grant.

Therefore we have tried to write into the bill a safeguard, to make sure, first, that there is a need and, second, that an applicant exhausts every possible method at the local level and tries to solve the problem at the local level and, third, that he tries to get a guaranteed loan first, if he can qualify the project through the guaranteed loan provision. If he cannot, he would be eligible for a grant. Therefore, I wish to assure Senators that this is a bill which does not permit an indiscriminate use of the grant program. It may be used only when the tests are adequately met. It is a good bill which will attempt to meet the needs which certainly are pressing many of the municipalities throughout the country. I hope that the amendment of the Senator from Ohio will be defeated.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, whether or not the pending bill has the so-called two-way stretch to which the Senator from Nevada refers lies wholly within the volition and the discretion of the Administrator. It is he who determines whether or not there is a qualification for a loan. If he decides that it merits a grant, it is going to get a grant.

Insofar as I have seen bureaucratic liberality with grant money, there is not any question as to whether this grant money is going to be used.

I had hoped that this general economy feeling which is now surging in the Nation's Capital and in the country would catch on and go further and further.

First of all, the distinguished President himself has set the pattern. A week ago he submitted a little over $125 million in cuts in the fiscal 1964 budget. The day before yesterday he sent us a foreign-aid message, and there he said he thought the aid program could be cut back, not by $120 million or by $200 million, but by $400 million.

The President is aware of the mood of the people today. We ought to take counsel from what he was doing to his own budget before we even pass upon the items.

The Senate suddenly succumbed, modestly, I would say, to the urge that is beginning to manifest itself, because the monitor of the bill accepted the amendment offered by the frugally minded—and I say this reverently—Senator from Missouri, when he suggested that there be a $125 million cut in the bill, $25 million during the years 1963 and 1964, $50 million in 1965, and $50 million in 1966. That is a start, but it is a modest start.

As the Chinese say, the longest journey begins with a single step. We took a modest step this afternoon. The President has taken a modest step. I am glad that he is embracing the doctrine and the philosophy that we have been tirelessly belaboring for quite some time. We have been hearing from the country. There is even a more impelling reason than that, and that is the solvency of this

country. We keep talking about a $99 billion budget. We ought to stop it. It is not a $99 billion budget. It is a $108 billion budget.

The bill provides $9.2 billion of new obligational authority, and $100 million for fiscal 1964 as a part of the new obligational authority. It is a new step for a new expenditure which, in the belief of the Administrator himself as he testified before the committee, will require more than $9 billion to do the job. He was very sanguine about it. Everyone might know that inflation is in the air. It is going to be there. Just as we know it costs much more today to accomplish a job than it did 5, 10, or 15 years ago, we can go right on through the lesson book and look down the future to other fiscal years, where we will find that the job cannot be done with $9 billion. I should say, conservatively, that before we get through, knowing the avidity for free money, we had better start talking about $20 billion.

I am not unmindful that the country grows and that the budget has to grow to some extent; but it does not have to grow to insane proportions and jeopardize the very solvency of our country. If we do not manage the budget, I do not know how we will stir confidence in the banking world abroad, which holds more that $20 billion of our obligations which can be converted into gold, if it wishes to do so. I do not know how we can stir confidence at home and constantly try to invite private capital to do a job and assume responsibilities, if we put power into the hands of a Federal agency which can only destroy that confidence.

The amendment ought to be adopted in the interest of fiscal sanity for this country.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. SPARKMAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Ohio. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Utah [Mr. Moss] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The result was announced—yeas 41, nays 57, as follows:

[No. 35 Leg.]

YEAS—41

Aiken	Fong	Muskie
Allott	Goldwater	Pearson
Bennett	Hickenlooper	Prouty
Boggs	Hill	Proxmire
Byrd, Va.	Holland	Robertson
Byrd, W. Va.	Hruska	Saltonstall
Carlson	Jordan, Idaho	Simpson
Cooper	Jordan, N.C.	Smith
Cotton	Lausche	Stennis
Curtis	McClellan	Thurmond
Dirksen	Mechem	Tower
Dominick	Miller	Williams, Del.
Eastland	Morton	Young, N. Dak.
Ervin	Mundt	

NAYS—57

Anderson	Bible	Case
Bartlett	Brewster	Church
Bayh	Burdick	Clark
Beall	Cannon	Dodd
Douglas	Keating	Morse
Edmondson	Kefauver	Nelson
Ellender	Kennedy	Neuberger
Engle	Kuchel	Pastore
Fulbright	Long, La.	Pell
Gore	Long, Mo.	Randolph
Gruening	Magnuson	Ribicoff
Hart	Mansfield	Russell
Hartke	McCarthy	Scott
Hayden	McGee	Sparkman
Humphrey	McGovern	Symington
Inouye	McIntyre	Talmadge
Jackson	McNamara	Williams, N.J.
Javits	Metcalf	Yarborough
Johnston	Monroney	Young, Ohio

NOT VOTING—2

Moss Smathers

So Mr. LAUSCHE's amendment was rejected.

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

Mr. WILLIAMS of New Jersey. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, on behalf of myself and the Senator from Maine [Mr. MUSKIE], I offer the amendment which I send to the desk and ask to have stated.

The LEGISLATIVE CLERK. On page 9, in line 5, it is proposed to strike out "$500,000,000", and to insert in lieu thereof "$375,000,000".

Mr. CANNON. Mr. President, I shall make a brief explanation of the amendment.

The Senate has already taken action to reduce the provision for grants from $500 million to $375 million. In adding the amendment covering the guarantee loan provision, the Commerce Committee established a limit of $500 million for which the Government could guarantee the payment of bonds. My amendment would reduce that figure of $500 million to $375 million and would make the amount consistent with the amount provided in the direct grant provision. I again point out, as I pointed out earlier, that this is only a maximum guarantee. It would not require the appropriation of funds at this time, and would mean only a limit on the contingent liability for which the Government might commit itself.

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

Mr. CANNON. I yield.

Mr. MUSKIE. I am happy to join the distinguished Senator from Nevada in sponsoring the amendment. That particular provision of the bill was not in the bill when it was considered by the Committee on Banking and Currency, of which I am a member. As the Senator has suggested, it would create a contingent liability and not a direct burden upon the Treasury. But it would create the liability in an area in which we have had little or no experience. So there would be danger of default, which could create a direct liability upon the Government. It would be appropriate to reduce the provision of the bill so that it would be consistent with the cut which has already been made in the grant program. So I am happy to join the Senator.

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

Mr. CANNON. I yield.

Mr. SYMINGTON. I was much impressed with the amendments which the Senator from Nevada presented to the Senate as a representative of the great Committee on Commerce. For the reasons that I have already presented briefly in the RECORD today for reducing the grant from $500 million to $375 million, I commend the Senator for the proposed amendment. I intend to support it.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. There has been the highest degree of cooperation and accommodation between the two committees that brought the measure to the floor of the Senate. It seems to me that with the guarantees added, we have a well-balanced program; and that the grants together with the guarantees at the proposed level are realistic in meeting the needs of transportation.

Speaking for the Senator in charge of the bill, the Committee on Banking and Currency will accept the amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield about 2 minutes to me?

Mr. CANNON. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. I subscribe to the proposed reduction. That is obvious on the basis of what I have said in the past 3 days. However, I feel that the Senate ought to learn how the matter was handled in the Committee on Commerce. My measure provided for a $50 million guarantee loan fund. Some Senator said, "Make it $100 million." Another voice said, "Make it $500 million." Those were not the words, but it sounded like an auction to me. I decided that I was lucky to get off with a $500 million provision.

Mr. CANNON. Mr. President, as the Senator from Ohio has said, there was no provision requiring a contribution at the local level. We require a contribution of 25 percent. We have removed the tax-exempt provision relating to the bonds. In my opinion, that action removed many of the objections to the guarantee loan provision.

Mr. LONG of Missouri. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. LONG of Missouri. The Senator mentioned a tax-exempt provision. I understand that there is no question that this is not an opening wedge to do away with the tax-exempt provision on State and municipal bonds.

Mr. CANNON. The Senator is absolutely correct. It is specifically provided that there will be no attempt to invade the field of tax-exempt municipal bonds. This is an area in which the Federal Government is asked to guarantee the bonds, and in so doing, one of the conditions is that the local body, in making application, would waive its right to the tax-exempt provision.

Mr. LONG of Missouri. Mr. President, the guaranteed bond program recommended by the Commerce Committee should provide a sound method to help some local communities in the development of mass transportation systems. However, there is one feature of this program which causes me grave concern.

The proposal requires the State, local public body, or agency thereof, to waive the income tax exemption normally enjoyed by such revenue bonds as a condition for the bonds to qualify under the program.

Some of our tax experts have been trying for a long time to destroy the income tax exemption enjoyed by municipal bonds. I am concerned that someone may attempt to use this bill as a precedent to attack the exemption of municipal bonds generally. Therefore, I believe the colloquy between the Senator from New Jersey and the Senator from Nevada relating to this matter should be reprinted in the debate today to emphasize the point that this bill should not be considered a precedent.

The exemption of the interest on municipal bonds from the Federal income tax has enhanced the marketability of such bonds. Thus, this exemption has contributed substantially to the ability of local communities to cope with some of the complex problems facing them. It should be clearly understood that the waiver of exemption required by this bill in no way reflects on the soundness of the exemption as a general rule.

Mr. President, I ask unanimous consent that the appropriate part of the colloquy between the Senator from New Jersey, who has worked so diligently for adequate legislation in this field, and the Senator from Nevada, who presented the Commerce Committee amendments, be printed at this point in the RECORD. The colloquy originally appeared on page 5336 of the CONGRESSIONAL RECORD for April 1, 1963.

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

Mr. WILLIAMS of New Jersey. I am very grateful to the Senator for his amplifications and observations. In connection with the provision that the bonds would not carry a tax exemption there might be fear that a precedent would be established that would cut deeply into the historical pattern of financing at the local level. I know that such is not the intention or expectation of the Senator, and that he sees the situation as a case sun generis.

Mr. CANNON. I thank the Senator for bringing up that point. I had not completed my explanation. I intended to cover that one particular provision. One of the other features of the guaranteed bond proposal is a provision that they would not be tax exempt. That provision departs from the usual and customary theory of tax exemption in dealing with municipal bonds. That is in nowise intended to be a precedent for the taxation of municipal bonds, and I, for one, would oppose entering into the field of taxation of municipal bonds generally.

That is a different area entirely. The Federal Government would be asked to guarantee the bonds of the local transportation authority. They might therefore be able to market their bonds at a lesser interest rate than would be possible on the open market today. In my opinion, the private investment segment of our country would be induced to come in under that type of proposal. Such participation is necessary if we are to solve the overall problem, because of its magnitude. But again I say that that is nowise intended to be a precedent. It is intended to be exactly the opposite. A non-tax-exempt provision would be established solely by reason of the fact that the Federal Government would be coming into the picture as a guarantor, just as the Federal Government enters into the picture in FHA and VA guarantee provisions. In both those situations, interest is not exempt from taxation. That is the specific reason why we are trying not to get into that area in the present case.

Also, if a guarantee provision were allowed on tax-exempt bonds, in effect it would place the bonds in a better position from the standpoint of salability than those of the Federal Government.

That, of course, would place the local agencies in an unfair competitive position insofar as the sale of Government securities is concerned.

Mr. WILLIAMS of New Jersey. If they were tax exempt?

Mr. CANNON. If they were tax exempt.

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

Mr. CANNON. I yield.

Mr. McGEE. I commend the Senator from Nevada [Mr. CANNON] and the Senator from Maine [Mr. MUSKIE] for the amendment. I should like to ask the Senator whether he intends to ask for the yeas and nays.

Mr. CANNON. I had not particularly intended to do so.

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

Mr. CANNON. I support the Senator from Wyoming in that request.

The yeas and nays were ordered.

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

Mr. CANNON. I am happy to yield to the Senator from Illinois.

Mr. DIRKSEN. This is an occasion when at least a word ought to be interposed with respect to the amendment now before the Senate and certain other amendments. As the bill came from the Committee on Banking and Currency, it provided $500 million in grants. As the bill came from the Committee on Commerce, it contained grant and loan provisions. The version of the Committee on Commerce was accepted on the floor of the Senate.

The spirit of frugality then began to hover over this great body. This afternoon the grant money authorized was reduced by $125 million. So at this good hour, with the cherry blossom princesses waiting for everyone, the grant money authorized has been reduced by $125 million.

Salvation, it seems to me, is coming. But it comes so slowly. I remember that old spiritual—

I am inching along, I am inching along, I am inching along, my Lord.

We are inching along, but progress is extremely slow.

Why did not the Senate "go the whole hog" and knock out all the grant money and place the measure on the beam and the frequency to which we can tune and hear the voice of the country? I commend the Senate for cutting out $125 million in guaranteed loans. But the amount is not enough for fiscal salvation.

We will vote for the amendment. We only hope and wish that we could embrace all salvation and cut it all out.

Mr. CANNON. We are very happy that the distinguished Senator from Illinois sees at least in part the error of his ways, and we shall be happy to have him with us on the forthcoming vote.

Mr. DIRKSEN. But it still will not save me.

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

Mr. CANNON. I yield.

Mr. ERVIN. Am I correct in my assumption that one of the prices for obtaining a guaranteed loan provision in the bill would be that the local subdivision of government must waive its exemption from taxation?

Mr. CANNON. The Senator is not correct in that respect. Under one section of the bill, in order to obtain the advantage of the guaranteed bond provision, the local body would have to waive any rights it might have to claim that the bonds which the Government guarantees are tax exempt. Those bonds and those only, would be affected. The amendment would affect no other municipal bonds in any way. The amendment relates only to municipal bonds which the Federal Government would guarantee.

Mr. ERVIN. In order to obtain the benefit of the proposed largesse from the Federal Government, would not the local governmental subdivision be required to waive any exemption from taxation on the bonds that would be covered by the guarantee?

Mr. CANNON. On the revenue of the bonds covered by the guarantee. If they failed to do so, bonds issued under those conditions would be given a preferred position over general obligations of the Treasury.

Mr. ERVIN. I was hoping that I could vote for the amendment, but to me the proposal would put the camel's nose under the tent, and, pro tanto, would require the surrender of what has been conceived to be a constitutional right in part. For that reason, although I should like to protect to some extent the unborn generations of our taxpayers from the obligations they will have to pay under the bill, I cannot vote for that provision.

Mr. CANNON. I say to the Senator that the amendment would only reduce the amount. The amendment would not change the tax-exempt provision at all. The amendment now before the Senate would merely reduce from $500 million to $375 million the amount authorized for guarantees.

The provision to which the Senator referred is in the bill, as the amendment in the nature of a substitute for S. 6 has been agreed to.

Mr. ERVIN. With that assurance from the Senator I can vote for the proposed reduction in the amount of the guarantee, because an affirmative vote would manifest some willingness of the Senate to at least temporarily withhold an imposition of an obligation of $125 million on yet unborn generations of American taxpayers. I think that is very nice.

Mr. CANNON. I would certainly help the Senator to keep the camel's nose out from under the tent. I, for one, would oppose any attempt to get into the area of tax exemption with respect to bonds now granted to municipalities.

Mr. MAGNUSON. Mr. President, I think there is some misunderstanding in

the Senate. We would not touch the right of any city or State to issue all the bonds it wished to issue, tax exempt. The city of Cleveland could issue a billion dollars worth of bonds, tax exempt, and use them for transit purposes, if it wished to do so.

All we would say would be, "If you are going to issue some revenue bonds for transit purposes and if we are to guarantee them, we will ask you to forgo any privilege you might have for tax exemption."

Senators have talked about people to be born in the future who will have to pay the bill. The reason the Committee on Commerce did exactly what it did with respect to the bonds is that the committee did not anticipate that taxpayers in the future, with respect to the bonds, would have to pay anything, unless some city should default. I do not think that is going to happen.

We provided for a revolving fund which would adequately take care of any risk the Government might encounter.

If we wanted to put everybody in this country into the transit business—every bank and every investment house—all we would have to do would be to guarantee the bonds and make them tax exempt. Then the Treasury would not be able to sell any other bonds. We thought that would involve a little fiscal irresponsibility, too.

We could sell billions of dollars worth of those bonds now, if they were tax exempt and also guaranteed.

Any city can proceed as it wishes. Any urban center, any State or county, any transit authority, can issue all the bonds it desires to issue, tax exempt, but if we are to guarantee them we will say, "You must forgo that privilege."

We think that is a sound approach.

Mr. ERVIN. Mr. President, I have great faith in the prophetic powers of my good friend from Washington, and I hope his prophecy will come true. Notwithstanding my great faith in the distinguished Senator from Washington, I have more faith in the declaration in the Scriptures to the effect that:

> He that is surety for a stranger shall smart for it.

Mr. MAGNUSON. Mr. President, that has not been the case in respect to many programs of this nature. It would not be, unless the country itself should turn out to be economically unsound. We do not anticipate that such will happen.

Mr. DIRKSEN. Mr. President, will the distinguished Senator from Nevada yield to me?

Mr. CANNON. I yield to the distinguished Senator from Illinois.

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, I should like to query the distinguished majority leader concerning the program for the remainder of the day and what he expects for tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, I express the hope that within the next minute or two the Senate can get to the yea-and-nay vote which has been ordered on the Cannon-Muskie amendment.

After that the distinguished Senator from Texas [Mr. TOWER] will offer an amendment, on which he will ask for the yeas and nays, but the Senator is willing to limit the debate to 10 minutes, to be divided 5 minutes to each side.

After the yea-and-nay vote is taken on the Tower amendment, I understand the next amendment to be offered will be one by the distinguished senior Senator from Oregon [Mr. MORSE], but the vote to be taken on the Tower amendment would be the end of voting for today.

Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight it stand in adjournment to meet at 11 a.m. tomorrow.

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

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I announce, with the concurrence of the minority leader, that there will be no objection to committee meetings tomorrow morning.

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

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. Will our committee be free to meet tomorrow morning?

Mr. MANSFIELD. Yes.

Mr. McCLELLAN. Then, Mr. President, I ask unanimous consent now that the Permanent Subcommittee on Investigations of the Committee on Government Operations may meet tomorrow while the Senate is in session.

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

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations may meet during the session of the Senate tomorrow.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary may be permitted to meet during the session of the Senate tomorrow.

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

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. GOLDWATER. Mr. President, will the Senator from Nevada yield to me?

Mr. CANNON. I yield to the Senator.

Mr. GOLDWATER. I wish to ask the Senator from Nevada if he will include me as a cosponsor of the amendment. I am running for election next year, too.

Mr. CANNON. I am very happy to do so.

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

The PRESIDING OFFICER. The question is on agreeing to the Cannon-Muskie-Goldwater amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. HARTKE], the Senator from Utah [Mr. MOSS], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Indiana [Mr. HARTKE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Iowa [Mr. MILLER] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

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

The result was announced—yeas 88, nays 5, as follows:

[No. 36 Leg.]

YEAS—88

Aiken	Goldwater	Metcalf
Allott	Gore	Monroney
Anderson	Gruening	Morse
Bartlett	Hart	Morton
Bayh	Hayden	Mundt
Beall	Hickenlooper	Muskie
Bennett	Hill	Nelson
Bible	Holland	Neuberger
Boggs	Hruska	Pastore
Brewster	Humphrey	Pearson
Burdick	Inouye	Pell
Byrd, Va.	Jackson	Prouty
Byrd, W. Va.	Javits	Proxmire
Cannon	Johnston	Randolph
Carlson	Jordan, Idaho	Russell
Case	Jordan, N.C.	Saltonstall
Church	Keating	Scott
Cooper	Kuchel	Simpson
Cotton	Lausche	Smith
Curtis	Long, La.	Sparkman
Dirksen	Long, Mo.	Stennis
Dominick	Magnuson	Symington
Douglas	Mansfield	Talmadge
Eastland	McCarthy	Thurmond
Edmondson	McClellan	Tower
Ellender	McGee	Williams, Del.
Engle	McGovern	Williams, N.J.
Ervin	McIntyre	Young, Ohio
Fong	McNamara	
Fulbright	Mechem	

NAYS—5

Clark	Kefauver	Ribicoff
Dodd	Kennedy	

NOT VOTING—7

Hartke	Robertson	Young, N. Dak.
Miller	Smathers	
Moss	Yarborough	

So the Muskie-Cannon-Goldwater amendment was agreed to.

Mr. TOWER. Mr. President, I call up my amendment No. 13 and ask that they be stated.

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

The LEGISLATIVE CLERK. It is proposed, on page 16, line 9, to strike out "two" and insert in lieu thereof "one".

On page 16, line 10, to strike out "third" and insert in lieu thereof "half".

On page 18, line 10, to strike out "one-half" and insert in lieu thereof "one-third".

Mr. TOWER. Mr. President, I ask unanimous consent that debate on these amendments be limited to 10 minutes, 5 minutes to a side, 5 minutes to be controlled by the Senator handling the bill [Mr. SPARKMAN] and 5 minutes by myself.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendments.

The yeas and nays were ordered.

Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield briefly to me?

Mr. TOWER. I yield to the Senator from Montana.

Mr. MANSFIELD. I wish to make a brief announcement. For the information of Senators, I reiterate that the vote on the Tower amendment will be the last vote today.

Mr. TOWER. Mr. President, I am delighted to note that the pending bill has now been reduced from a $1 billion bill to a three-quarter billion dollar bill. However, I associate myself with the distinguished minority leader who said that this is far from enough.

In light of this circumstance, since we have reduced the total authorization, I believe there should be a reduction of the Federal participation. My amendment would reduce that Federal participation.

I believe we should reduce the Federal participation in the grant program from two-thirds of the net project cost to one-half of the net project cost, and in the emergency program from one-half of the project cost to one-third of the project cost.

The net project cost is arrived at by figuring the total cost of the project and then deducting the amount expected to be applied on the amortization of the project cost by farebox and other revenues.

If farebox revenues in some situations go merely to pay the operating cost, there are no farebox revenues remaining to apply to the net project cost, and it could result in two-thirds of the total project cost being paid.

Therefore, I believe it is proper to reduce the Federal participation to one-half of the net project cost. For one thing, I believe it would provide a greater incentive to local communities to exercise their own initiative and responsibility in raising the money. I therefore urge the adopton of my amendment.

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

Mr. TOWER. I yield.

Mr. SALTONSTALL. As I understand, the purpose of the amendment is to stimulate the initiative of the local people in their own projects and to persuade them to do something to reduce their reliance on Washington. Is that correct?

Mr. TOWER. I thank the Senator for his statement. He has stated exactly the purpose of my amendment; namely, to stimulate local initiative.

Mr. SPARKMAN. Mr. President, I believe just as strongly as do the Senator from Texas and the Senator from Massachusetts in stimulating local interest and initiative. I believe that the formula under which this bill is drafted will do just that. I admit that 50–50 sounds good, and it is good. However, I call attention to the fact that ever since 1949 we have been operating in urban renewal and slum clearance programs under this same formula. There are a great many local costs that a locality must figure on meeting, and which are not deducted when they come to figuring the net project cost. We have learned from experience in urban renewal that under the two-thirds formula, when all accounts are settled, it is approximately 50 percent; it breaks just about half and half. We have had testimony many times in our committee in which the representatives of the cities told us about the large part of the total cost borne by the cities.

This formula has worked well in urban renewal. It has been well tested over the 13 years it has been operating. We merely propose to apply here to another similar program. The formula is not two-thirds of the gross cost. It is two-thirds of the net project cost. The city makes an estimate of the income from the farebox, and after the operating expenses have been computed, the net project cost is arrived at, and that cost is then divided, two-thirds Federal and one-third local. As I say, many local costs are not taken into consideration in the net project cost.

Mr. TOWER. The net project cost might prove to be the total cost. All we are doing is anticipating the part of the total project cost which would be amortized by revenues. It is possible that there would not be sufficient revenues to amortize that portion of the total cost; therefore the project cost and the total cost might in some instances be the same figure.

I yield back the remainder of my time.

Mr. SPARKMAN. I yield back the remainder of my time.

THE PRESIDING OFFICER. All time has been yielded back. The question is on the amendment offered by the Senator from Texas [Mr. TOWER]. The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. HARTKE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. MOSS], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Iowa [Mr. MILLER], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Iowa [Mr. MILLER] would each vote "yea."

The result was announced—yeas 44, nays 47, as follows:

[No. 37 Leg.]

YEAS—44

Aiken	Fong	Mundt
Allott	Fulbright	Pearson
Boggs	Goldwater	Prouty
Byrd, Va.	Hickenlooper	Proxmire
Byrd, W. Va.	Hill	Robertson
Carlson	Holland	Russell
Church	Hruska	Saltonstall
Cooper	Jordan, Idaho	Simpson
Cotton	Jordan, N.C.	Smith
Curtis	Kuchel	Stennis
Dirksen	Lausche	Talmadge
Dominick	Long, La.	Thurmond
Eastland	McClellan	Tower
Ellender	Mechem	Williams, Del.
Ervin	Morton	

NAYS—47

Anderson	Hart	Metcalf
Bartlett	Hayden	Monroney
Bayh	Humphrey	Morse
Beall	Inouye	Muskie
Bible	Jackson	Nelson
Brewster	Javits	Neuberger
Burdick	Johnston	Pastore
Cannon	Keating	Pell
Case	Kennedy	Randolph
Clark	Long, Mo.	Ribicoff
Dodd	Mansfield	Scott
Douglas	McCarthy	Sparkman
Edmondson	McGee	Symington
Engle	McGovern	Williams, N.J.
Gore	McIntyre	Young, Ohio
Gruening	McNamara	

NOT VOTING—9

Bennett	Magnuson	Smathers
Hartke	Miller	Yarborough
Kefauver	Moss	Young, N. Dak.

So Mr. TOWER's amendment was rejected.

Mr. MORSE. Mr. President, I send to the desk an amendment which I ask to have printed. I understand that it will be taken up tomorrow morning at 11 o'clock.

The PRESIDING OFFICER. Without objection, the amendment will be printed.

The amendment is as follows:

On page 4 beginning with line 22, strike out all through line 14 on page 5, and insert the following:

"(b) (1) No financial assistance shall be made available under this Act to any State or local public body or agency thereof for the purpose, directly, or indirectly, of acquiring any interest in, or purchasing any facilities or other property of a private mass transportation company, or for the purpose of constructing, improving, or reconstructing any facilities or other property acquired, after the effective date of this Act, from any such company; unless (A) such company has, prior to such acquisition, been declared bankrupt or placed into receivership by a court of competent jurisdiction, or (B) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for the acquisition of mass transportation facilities or property which are supplementary to the service provided by an existing publicly owned or operated mass transportation system, and (C) in either situation under A or B, the Administrator and the Secretary of Labor, acting jointly in accordance with the provisions of section 19(c) of this Act, find that the project to be assisted complies with the requirements set forth therein.

"(b) (2) No financial assistance shall be made available under this act to any State or local public body or agency thereof for the purpose of providing by contract or otherwise for the operation of mass trans-

portation facilities or equipment in competition with, or supplementary to, the service provided by an existing mass transportation company unless (A) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area, (B) the Administrator finds that such program, to the maximum extent feasible, provides for the participation of private mass transportation companies, and (C) the Administrator and the Secretary of Labor, acting jointly in accordance with the provisions of section 19(c) of this Act, find that such program complies with the requirements set forth therein."

On page 26, strike out lines 6 through 23 and insert the following:

"(c) It shall be a condition of the granting of any assistance or the financing of any project under this Act that fair and equitable arrangements are made, as determined jointly by the Administrator and the Secretary of Labor, to protect the interests of employees affected by such assistance or financing. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including the continuation of pension rights and benefits of all beneficiaries) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining in any situation where it now exists; (3) the protection of individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to the provisions of section 5(2)(f) of the Interstate Commerce Act; (4) assurances of employment to employees of acquired mass transportation systems by the acquiring or operating entities, and priority of employment or reemployment of employees terminated or laid off; and (5) paid training or retraining programs. The contract for the granting of any such assistance shall specify the terms and conditions of such protective arrangements."

Mr. RIBICOFF. Mr. President, I send to the desk an amendment to the amendment offered by the Senator from Oregon. I ask unanimous consent that my amendment may be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

Amend the proposed amendment offered by Senator MORSE by striking "company." at the end of subparagraph (b)(1) and inserting in lieu thereof the following: "company; unless such company has, prior to the acquisition, been adjudged bankrupt or placed into receivership by a court of competent jurisdiction."

Mr. SPARKMAN. Mr. President, how much time remains available on the bill?

The PRESIDING OFFICER. The Senator from Alabama has 109 minutes remaining; the minority leader has 94 minutes remaining.

Mr. SPARKMAN. I thank the Chair.

INCORPORATION OF THE ELEANOR ROOSEVELT MEMORIAL FOUNDATION, INC.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the pending business be temporarily set aside so that the Senate may proceed to the consideration of a measure of some urgency, which will take but a moment. The time which is under control on the mass transit bill will not be affected.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 87, H.R. 4715.

The PRESIDING OFFICER. Without objection, the pending business will be temporarily laid aside. Calendar No. 87, H.R. 4715, will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 4715) to incorporate the Eleanor Roosevelt Memorial Foundation, Inc.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 23, after the word "Foundation", to strike out the comma and "Incorporated"; on page 3, line 17, after the word "welfare", to strike out "and"; in the same line, after the word "health", to insert a semicolon and "and the furtherance of international good will"; on page 4, after line 8, to strike out:

(5) to solicit, prior to January 1, 1965, and to accept, receive, hold, invest, reinvest, and to use, administer, expend and otherwise dispose of, in the sole and absolute discretion of the board of trustees, gifts, legacies, bequests, devices, grants, funds, money and property of every kind and description, and to apply the income and principal thereof exclusively for the purposes of the corporation by such agencies and means as shall, from time to time, be found appropriate therefor, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limited or controlling the ownership of property by, a corporation operating in such State;

And, in lieu thereof, to insert:

(5) to take by lease, gift, purchase, grant, devise, or bequest from any public body or agency or any private corporation, association, partnership, firm, or individual, and to hold absolutely or in trust for any of the purposes of the corporation any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of the law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

And on page 11, line 4, after the word "Foundation", to strike out the comma and "Incorporated".

Mr. HUMPHREY. Mr. President, there are a number of amendments to the bill. All of them are certainly desirable. I ask unanimous consent that the amendments be considered en bloc, since the bill is not controversial. It provides for incorporation of the Eleanor Roosevelt Memorial Foundation.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Without objection, the amendments will be considered en bloc.

The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. DIRKSEN. Mr. President, this matter was considered by the Judiciary Committee. The bill has already been passed by the House. Those who are directing the Roosevelt Foundation have suggested various amendments which the committee thinks are desirable and necessary; and the amendments also keep the measure in line as regards the issuance of a Federal charter. Therefore, there is agreement by the committee with the purpose of the charterers.

Therefore the bill comes to us with the agreement of the committee; and I am glad to support the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report on the bill. The excerpt deals with the amendments and with the purpose of the amendments and the purpose of the bill.

There being no objection, the excerpt from the report (No. 105) was ordered to be printed in the RECORD, as follows:

AMENDMENTS

Amendment No. 1: On page 3, line 1, strike the comma and the word "Incorporated".

Amendment No. 2: On page 3, line 18, strike the word "and".

Amendment No. 3: On page 3, line 18, after the word "health" change the period to a semicolon and add the following: "and the furtherance of international good will."

Amendment No. 4: On page 4, commencing on line 9, strike all down to and including the word "State;" on line 22, and insert in lieu thereof the following: "(5) to take by lease, gift, purchase, grant, devise, or bequest from any public body or agency or any private corporation, association, partnership, firm, or individual, and to hold absolutely or in trust for any of the purposes of the corporation any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of the law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;"

Amendment No. 5: On page 10, line 11, after the word "Foundation" strike the comma and the word "Incorporated".

Amend the title so as to read: "An Act to incorporate the Eleanor Roosevelt Memorial Foundation".

PURPOSE OF AMENDMENTS

The purpose of amendments No. 1 and No. 5 is to remove the word "Incorporated" from the title of the foundation inasmuch as the committee was advised that in the judgment of officials of the Roosevelt Foundation the word "incorporated" is not appropriate in the name of the foundation.

The purpose of amendments No. 2 and No. 3 is to add to the objects and purposes of the foundation the furtherance of international good will.

The purpose of amendment No. 4 is to conform the section relating to acceptance and disposition of property and realty to the standards in all charter bills.

PURPOSE

The purpose of the proposed legislation, as amended, is to confer a Federal charter on the Eleanor Roosevelt Memorial Foundation.

STATEMENT

The Eleanor Roosevelt Memorial Foundation is to be a charitable and educational foundation. The foundation is to devote itself to continuing certain major interests with which Mrs. Eleanor Roosevelt was deeply

concerned, the relief of the poor and distressed and the underprivileged, the promotion of economic welfare and of public health. The foundation is to be financed from private sources.

The committee is advised and notes the fact that the foundation will limit any solicitation of funds from the public at large to a single campaign and that such campaign will terminate no later than November 7, 1965, the third anniversary of Mrs. Roosevelt's death.

The committee is of the opinion that the creation of this foundation is a worthy tribute to a woman of tireless energy and devotion to her principles and to humanity. Accordingly, the committee recommends favorable consideration of H.R. 4715, as amended.

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

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to incorporate the Eleanor Roosevelt Memorial Foundation."

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, routine business was transacted.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 36) to make correction in the enrollment of S. 1035.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1035) to extend the provisions of section 3 of Public Law 87-346, relating to dual-rate contracts, and it was signed by the Vice President.

THE VOTING RIGHTS ACT OF 1963

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting a draft of proposed legislation to enforce constitutional rights, and for other purposes, which, with the accompanying paper, was referred to the Committee on the Judiciary.

ADDITIONAL FUNDS FOR COMMITTEE ON THE JUDICIARY—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 119); which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on the Judiciary is hereby authorized to expend from the contingent fund of the Senate, for obligations incurred during the 87th Congress, $300 in addition to the amount, and for the same purposes specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

REPORT ENTITLED "NATIONAL PENITENTIARIES"—REPORT OF A COMMITTEE (S. REPT. NO. 106)

Mr. LONG of Missouri, from the Committee on the Judiciary, pursuant to Senate Resolution 266, 87th Congress, 2d session, as extended, submitted a report entitled "National Penitentiaries," which was ordered to be printed.

REPORT ENTITLED "PATENTS, TRADEMARKS, AND COPYRIGHTS"—REPORT OF A COMMITTEE (S. REPT. NO. 107)

Mr. McCLELLAN, from the Committee on the Judiciary, pursuant to Senate Resolution 267, 87th Congress, 2d session, as extended, submitted a report entitled "Patents, Trademarks, and Copyrights," which was ordered to be printed.

REPORT ENTITLED "ADMINISTRATIVE PRACTICE AND PROCEDURE"—REPORT OF A COMMITTEE (S. REPT. NO. 108)

Mr. LONG of Missouri, from the Committee on the Judiciary, pursuant to Senate Resolution 256, 87th Congress, 2d session, as extended, submitted a report entitled "Administrative Practice and Procedure," which was ordered to be printed.

WILDERNESS ACT—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 109)

Mr. CHURCH. Mr. President, on behalf of the Senator from New Mexico [Mr. ANDERSON], from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (S. 4) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, and I submit a report thereon. I ask that the report be printed, together with minority views.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and without objection, the report will be printed, as requested by the Senator from Idaho.

Mr. ANDERSON subsequently said: Mr. President, I am advised that the minority report on S. 4, the wilderness bill, is not yet ready. Earlier today, the Senator from Idaho [Mr. CHURCH] on my behalf, filed the majority report, and obtained permission for publication of the report, together with minority views.

Mr. President, I ask unanimous consent to delay the printing of the report on S. 4 a day to permit the minority to complete their statement.

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

BILLS INTRODUCED

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

By Mr. CASE (for himself, Mrs. NEUBERGER, and Mr. CLARK):

S. 1261. A bill to promote public confidence in the integrity of Congress and the executive branch; to the Committee on Rules and Administration.

By Mr. HUMPHREY (for himself, Mr. RANDOLPH, and Mr. JAVITS):

S. 1262. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least 20 quarters of coverage, and for other purposes; to the Committee on Finance.

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

By Mr. MAGNUSON (by request):

S. 1263. A bill to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses; to the Committee on Commerce.

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

By Mr. JAVITS:

S. 1264. A bill to amend title VI of the National Defense Education Act of 1958; to the Committee on Labor and Public Welfare.

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

By Mr. HARTKE:

S. 1265. A bill to amend section 453 (a) of the Internal Revenue Code of 1954 to clarify the status thereunder of certain types of installment plans, and for other purposes; to the Committee on Finance.

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

By Mr. BENNETT:

S. 1266. A bill to amend section 2276 of the Revised Statutes in order to extend the right of selection granted therein to the States to unsurveyed unappropriated public lands; and

S. 1267. A bill to provide for an appropriation of a sum not to exceed $80,000 with which to make a survey of a proposed national parkway in Utah connecting the national parks and monuments in the southwestern part of Utah and northwestern part of Arizona with the national monuments and recreation areas in the south-central and southeastern parts of Utah and southwestern part of Colorado; to the Committee on Interior and Insular Affairs.

Mr. BENNETT subsequently said: Mr. President, today I introduced Senate bill 1266 and Senate bill 1267. At this time I ask that the bills be held at the desk until the close of the first day of business of the Senate next week, so that other Senators may have an opportunity to join in sponsoring the bills.

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

By Mr. HUMPHREY (for himself, Mr. RANDOLPH, and Mr. JAVITS):

S. 1268. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least six quarters of coverage, and for other purposes; to the Committee on Finance.

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

CONCURRENT RESOLUTION AUTHORIZING A CHANGE IN THE ENROLLMENT OF SENATE BILL 1035

Mr. WILLIAMS of New Jersey (for Mr. MAGNUSON) submitted a concurrent resolution (S. Con. Res. 36) authorizing a change in the enrollment of S. 1035, relating to dual rate contracts, which was considered and agreed to.

(See the above concurrent resolution printed in full when submitted by Mr. WILLIAMS of New Jersey (for Mr. MAGNUSON), which appears under a separate heading.)

RESOLUTION—ADDITIONAL FUNDS FOR THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 119) to provide additional funds for the Committee on the Judiciary, which was referred to the Committee on Rules and Administration.

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

AMENDMENT OF MERCHANT MARINE ACT, 1936, RELATING TO REIMBURSEMENT OF CERTAIN VESSEL CONSTRUCTION EXPENSES

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for reimbursement to certain U.S. shipping lines of all additional costs incurred by the lines by reason of the allocation by the Secretary of Commerce, as a matter of public policy, of construction contracts on their vessels to shipyards other than that of the lowest responsible bidder.

This proposed legislation, in somewhat different form, was considered and reported favorably by both Senate and House committees during the 87th Congress, but too late in the closing session for final action.

Present law provides that in the event of such allocation of vessel construction, if the contract made with the nonlow-bid shipyard provides for a price in excess of the lowest responsible bid which otherwise would have been accepted, that excess cost shall be borne by Government as part of the cost of national defense. However, this provision, as interpreted by the Secretary of Commerce, does not apply to expenses incurred by the shipowner for inspection and supervision of the vessel during construction, and for delivery of the vessel, in excess of the estimated expenses for the same services that he would have incurred if the vessel had been constructed by the lowest responsible bidder. The proposed bill would make clear that such additional costs should not devolve upon the shipowner.

The PRESIDING OFFICER. (Mr. RIBICOFF in the chair). The bill will be received and appropriately referred.

The bill (S. 1263) to amend the Merchant Marine Act, 1936, in order to provide for the reimbursement of certain vessel construction expenses, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

IMPROVEMENT OF INTERNATIONAL AFFAIRS STUDIES

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to broaden the National Defense Education Act to provide for training of students and teachers for work in international affairs at home and abroad.

This amendment is required to meet the growing national need for expertise in international affairs. The bill is an outgrowth of a Library of Congress survey of 32 universities and colleges in the United States, conducted at my request, which emphasized the need for expanding and improving programs in international affairs studies.

The amendment would, first, provide grants to colleges and universities to help in the establishment and operation of international affairs programs to train individuals for oversea business or government work, for work in the U.S. in international affairs, or for teaching or research work in international affairs; second, provide stipends for students undergoing advanced training in order to reach international affairs in colleges; and third, provide grants to colleges to help in the establishment of short-term institutes on international affairs for high school teachers, with stipends for those participating in the program.

The bill would add less than $3½ million to the $229 million appropriation request for the National Defense Education Act in fiscal 1964.

A greater number of students, teachers, businessmen, professional people and government officials must be better prepared to deal with the growing challenges and opportunities in the international field. The increasing responsibilities inherent in U.S. free world leadership require additional efforts to improve the quality and expand the scope of international affairs studies.

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

The bill (S. 1264) to amend title VI of the National Defense Education Act of 1958, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CLARIFICATION OF STATUS OF CERTAIN TYPES OF INSTALLMENT LOANS

Mr. HARTKE. Mr. President, there is presently a practice in retail selling to installment sales which has been accepted by Internal Revenue in connection with tax liability. The seller prorates in a tax year that portion of the gross profit on an item which is in direct ratio to the relationship between amount paid in that year and total contract price.

This bill would simply define installment sale for the purpose of this section of the Internal Revenue Code, and I now introduce it for appropriate reference, and ask that the bill be printed at the close of my remarks.

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

The bill (S. 1265) to amend section 453(a) of the Internal Revenue Code of 1954 to clarify the status thereunder of certain types of installment plans, and for other purposes, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Finance.

PROPOSED LEGISLATION TO AMEND DISABILITY INSURANCE PROVISIONS FOR THE BLIND

Mr. HUMPHREY. Mr. President, I send to the desk for appropriate reference two bills that would make certain adjustments in the disability insurance cash benefits of title II of the Social Security Act of 1935. The objective of both bills is to provide a more adequate floor of financial security for our blind fellow citizens.

The distinguished Senator from West Virginia [Mr. RANDOLPH] and the distinguished Senator from New York [Mr. JAVITS] have joined with me as cosponsors of these bills.

Several years ago I had the privilege of attending a convention of sightless men and women in Minnesota. Through such meetings and personal friendships with sightless men and women, I have gained much deeper insight about the nature and condition of blindness.

I have learned that blindness is a physical loss, a loss of the physical ability of a person to see. Severe as this loss is, it should be accepted as this. But I have learned that it is much more.

Unfortunately blind persons are still confronted by barriers of prejudice, misinformation, and misconceptions about their loss and its effects on their lives. These barriers, unreasoned, and reasonable, deny to the blind the opportunity to compete on the basis of equality with their sighted fellows, even though many are able, qualified, and desirous of doing so.

The greatest loss resulting from the occurrence of blindness is an economic loss. My bills are designed to minimize the disastrous economic and social consequences which follow the occurrence of blindness. They are designed to assure a blind person a degree of minimum financial security to free him from the severe pressure of unpaid bills and necessities of life.

The bills I have introduced would include in the Federal disability insurance program the generally recognized, a commonly accepted and used definition of blindness; that is, blindness is central visual acuity of 20/200 or less in the better eye with correcting lenses, or visual acuity greater than 20/200 if accompanied by a limitation in the field of

vision such that the widest diameter of the visual field subtends an angle no greater than 20°.

My first bill would provide that those who meet this definition of visual loss and who have been employed in covered employment for a year and a half—six quarters—would be entitled to collect disability insurance cash benefits, and their entitlement to draw such cash benefits would continue so long as such individual remains disabled by blindness.

To make cash payments available to the blind after working for six quarters in covered employment is to recognize that the usual kinds of jobs they are able to secure are such that reducing the number of quarters of work required to establish a right to claim benefits is fair and reasonable.

Allowing blind persons to continue to draw cash benefits so long as they remain blind, even though they may be employed, is to place entitlement to receive benefits where it belongs, upon the existence and the continuing existence of a physical disability, the very existence of which results in a sustained economic loss.

To base entitlement to receive benefits upon the disability of blindness is to recognize that extra expenses are incurred when people without sight live in a sighted environment, when they must function in a society run by and for those with vision.

I have offered this proposal in two previous Congresses. I am most hopeful that this bill will receive prompt and favorable consideration.

However, Mr. President, if Congress is not willing to make such a reduction in the number of quarters from the presently required 20 to 6, that is, if it is not willing to lessen the length of time required for entitlement to receive cash benefits, I reluctantly introduce an alternative bill providing that a person who meets the generally accepted definition of blindness and who has worked for the presently required 20 quarters be allowed to qualify for payment of cash disability benefits so long as he remains blind.

Both of my bills do nothing more than make the disability insurance program under social security in fact a program providing financial protection against the economic hardships, yes, the economic inequities, resulting from blindness.

I believe that those who are blind should be permitted to draw cash benefits so long as they remain blind even though they may be working and earning, for they must meet additional costs to offset the handicapping consequences of their disability—they must pay certain "equalizing" costs when they would live and compete with men with sight, when they would function without sight in a sighted economy.

Mr. President, another provision which is identical in both of my bills would delete the present requirement that an applicant for or recipient of disability insurance cash benefits must accept vocational rehabilitation services or forfeit his cash payments.

This provision of Federal law, I think, is a refutation of the disability insurance program as social insurance, offering protection to participants against the economic consequences of a physical or mental disability. Rehabilitation results from aroused desire, awakened hope, stimulated ambition, it does not, nor can it, result from threats or coercion. The provision of law which would require rehabilitation "under the gun" is retrogressive and a contradiction of the very meaning of the term "rehabilitation."

This provision should be deleted from the existing law.

Mr. President, passage of either bill would diminish the serious economic disadvantage resulting from loss of sight. With this floor of financial security, sightless Americans will be better able to use and develop their talents and abilities for the benefit of the entire Nation.

As each person functions fully in our democratic society, as each contributes in accordance with his true capacities, the entire Nation is the ultimate beneficiary.

Mr. President, I ask unanimous consent that the full text of both bills be printed in the RECORD at this point. I also ask unanimous consent that the bills remain at the desk for 3 days for additional cosponsors.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will be printed in the RECORD, and will be held at the desk, as requested by the Senator from Minnesota.

The bills, introduced by Mr. HUMPHREY (for himself and Senators RANDOLPH and JAVITS) were received, read twice by their titles, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 1268. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least six quarters of coverage, and for other purposes; to the Committee on Finance:

Be it enacted, etc., That (a)(1) section 223 (a)(1)(B) of the Social Security Act is amended to read as follows:

"(B) in the case of any individual (other than an individual whose disability is blindness, as defined in subsection (c)(2)), has not attained the age of sixty-five,".

(2) Subsection (a)(1) of section 223 of such Act is amended by striking out "the month in which he attains age sixty-five" and inserting in lieu thereof "in the case of any individual (other than an individual whose disability is blindness, as defined in subsection (c)(2), the month in which he attains age sixty-five".

(3) That part of paragraph (2) of section 223(a) of such Act which precedes subparagraph (A) thereof is amended by inserting immediately after "(if a man)" the following: ", and (in the case of any individual whose disability is blindness, as defined in subsection (c)(2)) as though he were a fully insured individual,".

(b)(1) Paragraph (1) of subsection (c) of section 223 of such Act is amended—

(1) by inserting "(other than an individual whose disability is blindness, as defined in paragraph (2))" after "An individual"; and

(2) by adding at the end thereof the following new sentence: "An individual whose disability is blindness (as defined in paragraph (2)) shall be insured for disability insurance benefits in any month if he had not less than six quarters of coverage before the quarter in which such month occurs.".

(2) Paragraph (2) of subsection (c) of section 223 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: "The term 'disability' means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration, or (B) blindness. The term 'blindness' means central visual acuity of twenty/two hundred or less in the better eye with the use of correcting lenses, or visual acuity greater than twenty/two hundred if accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty degrees".

(c)(1) The first sentence of section 216(i)(1) of such Act is amended by striking out "(B)" and all that follows, and inserting in lieu thereof the following: "(B) blindness (as defined in section 223(c)(2))."

(2) The second sentence of such section 216(i)(1) is hereby repealed.

(d) The first sentence of section 222(b)(1) of such Act is amended by inserting "(other than such an individual whose disability is blindness, as defined in section 223(c)(2))" after "an individual entitled to disability insurance benefits".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to monthly benefits under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications for such benefits filed in or after such month.

S. 1262. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least 20 quarters of coverage, 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)(1) section 223(a)(1)(B) of the Social Security Act is amended to read as follows:

"(B) in the case of any individual (other than an individual whose disability is blindness, as defined in subsection (c)(2)), has not attained the age of sixty-five,".

(2) Subsection (a)(1) of section 223 of such Act is amended by striking out "the month in which he attains age sixty-five" and inserting in lieu thereof "in the case of any individual (other than an individual whose disability is blindness, as defined in subsection (c)(2)), the month in which he attains age sixty-five".

(3) That part of paragraph (2) of section 223(a) of such Act which precedes subparagraph (A) thereof is amended by inserting immediately after "(if a man)" the following: ", and (in the case of any individual whose disability is blindness, as defined in subsection (c)(2)) as though he were a fully insured individual,".

(b)(1) Paragraph (1) of subsection (c) of section 223 of such Act is amended—

(1) by inserting "(other than an individual whose disability is blindness, as defined in paragraph (2))" after "An individual"; and

(2) by adding at the end thereof the following new sentence: "An individual whose disability is blindness (as defined in paragraph (2)) shall be insured for disability insurance benefits in any month if he had not less than twenty quarters of coverage before the quarter in which such month occurs.".

(2) Paragraph (2) of subsection (c) of section 223 of such Act is amended by striking out the first sentence and inserting in

lieu thereof the following: "The term 'disability' means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration, or (B) blindness. The term 'blindness' means central visual acuity of 20/200 or less in the better eye with the use of correcting lenses, or visual acuity greater than 20/200 if accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty degrees.".

(c) (1) The first sentence of section 216 (i)(1) of such Act is amended by striking out "(B)" and all that follows, and inserting in lieu thereof the following: "(B) blindness (as defined in section 233(c)(2))."

(2) The second sentence of such section 216(i)(1) is hereby repealed.

(d) The first sentence of section 222(b)(1) of such Act is amended by inserting "(other than such an individual whose disability is blindness, as defined in section 223 (c)(2))" after "an individual entitled to disability insurance benefits".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to monthly benefits under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications for such benefits filed in or after such month.

URBAN MASS TRANSPORTATION ACT OF 1963—AMENDMENT

Mr. RIBICOFF submitted an amendment, intended to be proposed by him to the amendment proposed by Mr. MORSE to the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations I desire to announce that the Senate today received the nomination of David Elliott Bell, of Massachusetts, to be Alternate Governor of the Inter-American Development Bank.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, April 3, 1963, he presented to the President of the United States the enrolled bill (S. 1035) to extend the provisions of section 3 of Public Law 87-346, relating to dual rate contracts.

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. DIRKSEN:

Statement entitled "A Message for Our Senior Citizens."

By Mr. YOUNG of North Dakota:

Article entitled "The Government and U.S. Agricultural Exports," written by Senator MUNDT and published in the Aberdeen American News, Aberdeen, S. Dak., on March 24, 1963.

TRIBUTE TO HORACE M. ALBRIGHT

Mr. MANSFIELD. Mr. President, Mr. Fred J. Martin, of the Park County News in Livingston, Mont., has called my attention to an article in the March issue of Fortune magazine entitled "Businessmen Who Love the Land." It summarizes the outstanding work which businessmen are doing to preserve our great natural and irreplaceable heritage of wood, water, coast, and wildlife.

My attention was drawn particularly to the contribution of Horace M. Albright, the retired president of the U.S. Potash Co., who is listed as the "Dean of American Conservationists," and who simultaneously led two great conservation fights, one for the redwoods in the West, and the other for the Hudson River palisades in the East. This type of quiet service to present and future generations of Americans warrants national recognition, and I ask unanimous consent that the brief description of Mr. Horace M. Albright's life and work which is contained in Fortune magazine be printed at this point in the RECORD.

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

Horace M. Albright, retired president of U.S. Potash Co. (a predecessor of U.S. Borax & Chemical Corp.), might be called dean of American conservationists. Born in the shadow of California's High Sierra, he joined the legal staff of the Secretary of the Interior in 1913, and helped draft the legislation that created the National Park Service. He became Assistant Director of the Service, Superintendent of Yellowstone, and finally Park Service Director in 1929. Though he had his hands full as vice president and general manager of U.S. Potash after 1933, he raised funds for California's save-the-redwoods movement on one coast while serving as a member of the New York-New Jersey Palisades Interstate Park Commission on the other. He advised on the 1962 ORRRC report. Albright is pictured in a favorite natural setting, a grove of California redwoods named for Naturalist John Muir.

WEST VIRGINIANS PRESENT AS VETERANS OF FOREIGN WARS HOLD ANNUAL CONGRESSIONAL BANQUET—LEWIS BREWER REPRESENTS STATE IN VOICE OF DEMOCRACY CONTEST—SENATE VETERANS COMMITTEE ADVOCATED

Mr. RANDOLPH. Mr. President, on Tuesday, April 2, the Veterans of Foreign Wars held their annual banquet honoring Members of Congress who have served in the Armed Forces. With other of my colleagues, and members of the West Virginia delegation, I was privileged to be a guest of our State's servicemen at the event attended by national officials, local VFW delegates, and respected persons who are active in veterans' programs.

Representing West Virginia on this significant occasion were: Departmental Commander James R. Fawcett, of Grafton, W. Va.; Leo C. Shuck, senior vice commander, from Keyser; John L. Frazier, State junior vice commander, of Morgantown; and Ralph Stump, quartermaster-adjutant, from St. Albans.

Other delegates from the Mountain State were: E. Nelson Berd, Martinsburg; C. S. Collier, Jr., Charleston; Leonard E. DeWitt, Wellsburg; Charles Dodson, Martinsburg; Wayne Feist, Sistersville; Claude W. Hedges, Martinsburg; Joseph C. Hess, Martinsburg; Richard Homan, Sugar Grove; Ralph Honaker, Huntington; Kelton E. Houghton, Huntington; Roland Lex, Grafton; Mel Linton, Huntington; Lonzo Lockard, Martinsburg; Dave Lowery, Weirton; Don S. Maupin, Moundsville; Lee McDonald, Martinsburg; and Richard Weidlich, Weston.

Also at this gathering was Maj. Harry T. Chapin, formerly of Charleston, and now residing in Virginia, who has been an active VFW member for 50 years. When introduced, Mr. Chapin was given a lusty cheer. He is now 89 years young, served as West Virginia Departmental Commander during 1930–31. For 30 years he lived in our State, and was connected with the U.S. Naval Ordnance Works in the Kanawha Valley.

One highlight of this inspiring and entertaining evening was the presentation of scholarship awards to the high school students adjudged winners in the National Voice of Democracy essay contest, sponsored annually by VFW. I was gratified that Lewis Brewer, of Mannington High School, was present to receive his scholarship, and the congratulations of those assembled. This lad was one of 2,000 young men and women who entered the contest in West Virginia, and after being selected as 1 of the 10 district finalists, his essay was chosen as the outstanding one from our State. He is a junior, and an "A" student interested in chemistry, and a future leader who will doubtless continue to bring credit to himself and his family, his community, and to his native State.

Mr. President, the event of the Veterans of Foreign Wars was especially meaningful to me because it provided an excellent opportunity to confer with knowledgeable Americans on certain of the problems which today confront veterans. Earlier in the day these citizens had visited the offices of many of the Members of Congress, including my own, to talk over particular areas of legislative interest.

Among those proposals discussed and which has elicited wide support throughout the country was Senate Resolution 48, a bill to amend the Rules of the Senate to provide for a permanent Committee on Veterans' Affairs. As a cosponsor of this measure, along with several other Members, I am convinced that the magnitude and scope of problems and interests now facing veterans requires the establishment of a full-time and qualified Senate committee to administer to their

needs. Likewise, I am confident that after thorough examination of the situation as it exists today, my colleagues will be moved to agree, and we will proceed to expeditious and favorable action on Senate Resolution 48.

WHAT FREEDOM MEANS TO ME

Mr. SIMPSON. Mr. President, the greatest blessing we have as Americans is the wonderful gift of personal freedom which is denied over half the world.

A senior at the high school in Lander, Wyo., Miss Valerie Goss, expressed in beautiful and compelling prose the meaning of freedom in an essay that won for her State honors in the Voice of Democracy contest.

Freedom is—as Miss Goss so accurately describes it—an intensely personal thing that all of us as Americans possess at birth. We will pass it on to our children only as long as we dedicate ourselves to preserving it.

With the consent of the Senate I should like to place Miss Goss' award-winning essay, "What Freedom Means to Me," in the CONGRESSIONAL RECORD.

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

WHAT FREEDOM MEANS TO ME

An intensely personal thing, freedom.

I'm not going to tell you what freedom isn't.

With my own eyes I see freedom around me. It is a quiet thing generally. Young people in a library, or listening attentively to a teacher lecture. It can be as beautifully silent as people praying in a church, or as noisy as political campaigns with brass blaring, cheering and fiery oratory.

Freedom is security—not stocks, bonds, dividends and interest, but security. The right to wake up in the morning and feel alive. The right to experience and feel all the wonders and sorrows of living. I said that freedom is an intensely personal thing, and it is.

Freedom is as small a thing as being able to leave your home in the morning. It grows as the morning grows. A person gets into a car and drives away on a trip crossing State lines and boundaries uninterrupted by police inspection or a demand for identification. Certainly, this is freedom.

I work—have worked. I have had a number of jobs. I quit one when school started and was able to choose another that interested me. The freedom to work as one wants to work. When I collect my pay I am free to spend it on the ample bounty that freedom provides. When I pay for a thing, it is mine. I own it. The thing becomes a part of the meaning of me.

There, that's it—the meaning of me. The meaning of me and freedom are so closely allied that it becomes impossible to separate the identities. Most of all, I think that freedom is me. I live in a state of unhampered abundance of myself and my mind. No, not in any conceited or egotistical way, but in a manner that permits me to become, if I accept the responsibility, a fully developed and knowledgeable person.

Laws are made, have been made giving me the right to be myself. I can get angry and criticize the police, the Government—there will be no reprisals, no violence done to me. Sometimes I tend to abuse this privilege and forget the enormous responsibility which accompanies it. If I have this right, then those whom I criticize also have the same right. Their opinions and beliefs are to be respected—by me. I tend to forget it in the complete security that freedom becomes.

And when I realize this, I realize that perhaps the greatest threat to freedom is selfishness.

It is a sobering thought. The kind of a thought that makes me wonder if I have been damaging freedom, my own freedom and sense of security in other ways. I must ask myself, what other freedoms do I enjoy?

I have beliefs. I am entitled to them.

I have ambitions. I am obligated to them.

I have needs and desires, fears, and worries. Yet I am positive that my life will find a way to fulfill and overcome them.

What are the instruments of freedom that allow this? I am safeguarded by law. Laws which are closely and carefully scrutinized for their fairness, for their complete consideration of the individual living the law. No one shall be favored; no one shall be deprived. What a perfect, yet simple and sensible thing is the law. Despite its complexity, it can be reduced to a statement of principles. No one shall be favored; no one shall be deprived. Even those small and annoying representatives of the law, such as stoplights, are there to prevent me from infringement of the security of others' freedom. They, in turn, are respecting me and my rights in such a small thing as stopping for a traffic signal.

When I study at the library on week nights, I often get a great impression of the stacks of books—sentinels of knowledge. Knowledge guarding me and my rights. I have a sense of heritage before so much knowledge. The more I study it, the greater is my sense that all knowledge seems to reaffirm and convince that freedom is the inevitable course of good and right.

I think one of the places most Americans stop and get a sense of freedom is in our massive accomplishments, cities with skyscrapers, gigantic dams, and hydraulic stations—on Mount Rushmore with those serene faces. It takes something massive and big to commemorate the vastness and amplitude of freedom.

And yet, it is so completely a personal thing. Quiet, noisy, small, in any size—freedom is the person who is free. Freedom is the guarantee of the person. To someone like me who is in the process of becoming an adult citizen—freedom is thoroughly linked with the process of maturation of personality.

Yes, freedom is such an intensely personal thing.

CUBA

Mr. SIMPSON. Mr. President, in the face of the administration's utterances on behalf of the cause of Cuban freedom the weekend action in restricting Cuban exile leaders, together with announcement of the U.S. role in the capture of an exile ship in the Caribbean must make pretty frustrating and unsavory fare for the American public.

The Justice Department has invoked the Neutrality Act to justify a halt to refugee attempts to encourage guerrilla activity in Cuba by showing that there still exists an anti-Castro resistance effort.

It is not hard to imagine the frustration of the quarter million exiles as they watch their nation being raped and ravaged by a Communist regime dominated by European communism, in direct violation of the Monroe Doctrine and every moral tenet to which this Nation has ever subscribed.

The Cubans watched the United States ramrod the half-planned Bay of Pigs invasion and then refuse even to pick the wounded off the beaches. They watched the United States vacillate, and make indecisiveness the cornerstone of its Cuban policy, and last month they saw the issue of Communist Cuba quietly brushed under the rug at Costa Rica.

It now seems to those Cubans—who owe much of their misfortune to the ineptitudes of this Government—that we have done an about-face in even the simple concept of right and wrong.

The blockade of which the White House is in such fear has again been imposed, only this time it is a blockade around the exiles themselves while the bearded dictator of Cuba languishes in the safety of our protective coexistence policy.

A realization of the admissions inherent in the administration's antiexile action was not long in coming. The restrictions, at first praised by both parties and the press, are now being strongly questioned.

Yesterday's press carried two excellent editorials which presented some valid political and moral arguments favoring the refugees' position and giving the United States—as the Nation which once symbolized freedom to the world's oppressed people—something to think about.

I recommend to my constituents a Washington Star editorial by publisher and columnist David Lawrence, and an article by Virginia Prewett in the Washington News, and I ask unanimous consent that they be printed in the RECORD.

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

[From the Washington Star, Apr. 2, 1963]

POLICY OF INACTION AGAINST CUBA—U.S. EFFORTS AGAINST ANTI-CASTRO ATTACKS DESCRIBED AS RESULT OF CONFUSION

(By David Lawrence)

Confusion, if not frustration, today characterizes the policy of the administration toward Cuba.

Nearly 2 weeks have passed since President Kennedy told a news conference that the Soviet Government had withdrawn only 3,000 troops out of the 17,000 stationed on Cuban soil. He then added:

"We are waiting to see whether more will be withdrawn, as we would hope they would be. The month of March is not finished yet and we should have a clearer idea as to what the total numbers should be in the coming days."

The month of March has passed, but the clearer idea has still not materialized. The only action that has been taken by the administration is a sharp warning—not directed to the Russian Government—but to the poor Cubans who have bravely attempted to raid ports and start guerrilla action such as Fidel Castro himself employed when he fought his way into power.

It seems to be regarded as legitimate for the United States to encourage and assist in guerrilla-type warfare in south Vietnam against Communists there, but somehow the effort of the Cuban patriots to rescue their own country by similar tactics is frowned upon officially in formal announcements from the Department of State and the Department of Justice. Neutrality laws are cited as standing in the way. It is announced that such laws will be enforced by the arrest of those Cuban patriots who attempt to launch from American territory any expeditions to wrest their homeland from Mr. Castro and the Soviet troops.

Contradiction after contradiction, moreover, has emerged to becloud the statements issued by the U.S. Government. To take refuge in the neutrality laws seems to be in conflict with the following declaration on March 12 by Secretary of State Dean Rusk:

"Then we have felt, along with many others of our allies, that the kind of Cuban regime that we have today not only is not fit to participate as a regime in the activities of the inter-American system, but that with its declaration of subversive and other types of war upon the hemisphere, it is not entitled to normal economic or other relations with the free world."

The neutrality laws were plainly designed to apply to expeditions started on U.S. territory against countries with which the United States maintains friendly and normal relations. But a state of war now exists, for all practical purposes, between Cuba and the United States. Also, a blockade was undertaken last autumn, and foreign ships were intercepted by the U.S. Navy. In recent weeks Soviet-built Mig's, flying from Cuba, have attacked unarmed American ships.

In the last several months, moreover, a hostile military operation, involving the erection of bases equipped with missiles as well as bomber planes, had been carried on inside the territory of Cuba. This was aimed at the United States. One wonders what more proof the Government here needs that any steps taken by this country to protect itself are proper under international law and that so-called neutrality laws do not apply in the present circumstances to Cuba.

Actually, the constant use of air surveillance by the United States over Cuban territory is not really in line with the customary interpretation of the concept of "neutrality." The continuous pressure by the Government here upon other governments to boycott all trade with Cuba is also hardly "neutral."

Secretary Rusk, in his March 12 speech, said:

"Now, we are discovering with regard to Cuba that, having failed to take the steps that might have prevented in years past the establishment of a Marxist-Leninist regime in Cuba, that the problem of finding a cure is more difficult."

The foregoing might well be paraphrased and applied today as the administration, instead of finding a cure, permits the Soviets to strengthen their hold inside Cuba. It has even enlisted the help of Great Britain's navy to keep Cuban patriots from attempting to regain their homeland.

Mr. Rusk also said in his speech that "the presence of Soviet forces in this hemisphere cannot be accepted as a part of the normal situation in this hemisphere."

But the Soviets not only have been infiltrating Guatemala and Brazil, but they are still maintaining a military force in Cuba, less than a hundred miles away from the coast of this country.

Senator STENNIS, Democrat, of Mississippi, chairman of the Senate Subcommittee on Military Affairs, said in a speech the other day that, "without positive action on our part, our neighbors to the south may fall one by one until the entire hemisphere is lost to us." He added that he was convinced that "the Cuban situation is the most immediate, pressing, and important problem facing our Nation today."

Yet the administration is using its influence to discourage a counterrevolutionary movement against the Castro regime, which deliberately invited the Soviet Government to send troops and build missile bases in Cuba. How can the United States justify a policy of inaction against the Havana regime and invoke "neutrality" laws against the only individuals who wish to risk "their lives, their fortunes and their sacred honor" to overthrow a tyrannical dictatorship?

[From the Washington News, Apr. 2, 1963]

U.S. POLICY ON CUBA DEPLORED

(By Virginia Prewett)

The U.S. State Department spokesman who called the daring and gallant Alpha 66 raids on Cuba "irresponsible acts" that helped Castro's cause reached an alltime low in pronouncement of U.S. foreign policy.

In Biblical times, the authors of this statement would have assailed young David for going up against Goliath. They'd have said his inspiring victory of right over might "helped the Philistines." And they'd probably have taken away his slingshot.

In colonial times, these spokesmen would have condemned the Boston Tea Party as "irresponsible"—and said it helped the British.

They would have deplored the French maquis' harassment of the Nazi occupation troops while Hitler ruled Europe.

OFFICIAL

For years, U.S. cold war propaganda has failed the gallant Hungarian freedom fighters who challenged Communist power. Yet last week, the world's greatest democracy officially chided Cuba's dedicated young patriots for proving that the fortress Cuba is not invulnerable.

When the State Department calls these raids "irresponsible," by inference they repudiate every freedom fighter who takes up arms against communism.

In Vietnam, young Americans are being killed by Communists with Russia-supplied arms. Yet in Caribbean, when young Cubans harass their betrayer, Castro, and the Russian occupation, the U.S. State Department deplores it.

STANDOFF

Why? Will the nuclear set now tell us that unless we stop the Alpha 66 raids against Communist Cuba, there'll be nuclear conflict?

This will sound fairly thin, since Defense Secretary Robert McNamara himself last week told Congress that we are in a "nuclear standoff" with Russia.

The U.S. State Department knows very well that the Alpha 66 raids are part of a strategy aimed at overthrowing Castro. Every raid is followed by a burst of sabotage against the Russian occupation. Does our State Department not want this occupation harassed?

Responsible members of the Senate Foreign Relations Committee tell me they cannot believe the Department spoke seriously against the Cuban patriots. They believe this is an another example of our Government's use of the forked tongue—as advocated in the managed news policy. If this is true, the authors of this latest managed lie ought to be taken out of their fear-distorted environment and subjected to the influence of ordinary people who respect courage and hate tyranny.

The U.S. Information Service Chief Edward R. Murrow, last week pleaded with Congress for a 25 percent increase in his operation's budget. So long as the U.S. State Department's spokesmen are too terrified to stand behind the principle of freedom and to help our friends, as President Kennedy promised in his election pledges, then all the money spent for U.S. propaganda will be so much paper and tarnishable silver down the drain.

HOSPITAL INSURANCE FOR THE ELDERLY

NEED FOR ACTION

Mr. HUMPHREY. Mr. President, the need for a fiscally sound method of financing health care in old age has become severe in the past decade. In part, the problem is due to the spectacular progress that has been made in medical technology, which has been a principal reason for the greater numbers of people who live to suffer the illnesses that accompany old age. Changing technology has also rapidly increased the cost of medical care. For the aged, the increasing cost of health care and the increasing need for it have not been matched by an adequate method of financing it.

The crux of the problem of paying for health care in old age can be summed up in a few words. The average health costs of people age 65 and over are twice as high as those of younger people while the incomes of the older group are only half as high. A look at the facts is enough to show that there can be no doubt about the magnitude of the problem.

First. Nine out of ten elderly people go to the hospital at least once between age 65 and death. Most people who reach age 65 go to a hospital two or three times before they die; an elderly couple can expect about five hospital stays during their later years.

Second. When a person aged 65 or over goes to a hospital he stays, on the average, 15 days, twice as long as does the average younger person.

Third. Only half of the couples headed by an elderly person have incomes of as much as $2,500 per year; the comparable figure for younger couples is $5,300 a year.

Fourth. Only about half of the people 65 or over who live alone have incomes of more than $1,000 a year; half of the younger people who live alone have incomes exceeding $2,500 a year.

Fifth. About one-half of the elderly have no health insurance; and much of the health insurance that the other half has is worth very little to them in the event of a serious illness.

Sixth. The cost of a day's care in a hospital more than doubled from 1951 to 1961; during those 10 years the average daily costs went up from $16.77 to $34.98. In Minnesota, hospital costs are running slightly ahead of the national average.

PRIVATE INSURANCE ALONE IS NO SOLUTION

Only about half the aged have any kind of health insurance. And much of it is inadequate. For example, many health insurance policies for older citizens pay only $10 a day for no more than 30 days of hospital room and board and even less adequate amounts toward other hospital costs. The obvious reason that more older people don't have fully adequate private insurance protection is that they cannot afford the premiums for plans that offer sufficient protection against their inordinately high hospital costs.

The national health survey shows how closely having health insurance in old age is related to the person's ability to continue working, his income and the state of his health. In 1959, for example, the survey found that only 42 percent of the nonworking aged had any kind of health insurance, and only 30 percent of the aged in poorer health had hospital insurance. In addition, the survey showed that only one-third of the

aged whose family income fell below $2,000 had hospital insurance.

Not only are the aged a low-income, high-risk group, but they usually cannot buy group health insurance through a place of employment, as younger people can. Older people must ordinarily buy insurance on an individual basis. This adds greatly to the cost compared with group policies.

HIGH COST OF NEW BLUE CROSS PLANS

Last year there was a great deal of talk about the announced Blue Cross intention to offer special plans for the elderly. Such a plan has been set up in the State of Minnesota. The Minnesota plan pays for 75 percent of the costs of a hospital stay for a maximum of 70 days; if admitted to a nursing home within 3 days of discharge from the hospital, a member could have 75 percent of the cost of his nursing home care paid for on the basis of 2 days of care for each unused day of available hospital care; there are also limited provisions for payment of ancillary hospital services other than room and board and general nursing care.

The premiums for the Blue Cross plan cost $150 a year per person and $300 a year for a man and his wife. This is nearly double the premiums required under previous Minnesota Blue Cross plans.

The new premium payments amount to about one-eighth of the average aged couple's income and about one-seventh of the income of the average single person. And even with the new Minnesota Blue Cross protection, a member would still have to pay all nonhospital health costs—or purchase additional insurance to cover part of them—plus the noncovered 25 percent of their hospital bills. Comparatively few of the retired aged can afford such total outlays for major illnesses.

Private insurance carriers and Blue Cross have made most commendable efforts to meet the staggering problem of financing the health care costs of our elder citizens. Their inability to cope fully with the problem is not for lack of effort. It is a matter of simple economics.

DRAWBACKS OF PUBLIC ASSISTANCE METHOD

Some persons believe that the State-Federal public assistance programs should be the basis for providing the medical care which the aged need but cannot pay for themselves. But the facts also suggest that these programs do not provide the full solution to the medical problems facing the great majority of the elderly.

The problem of high health costs in old age does not only concern the very poor, for whom public assistance is intended. The problem of paying for medical care in old age hits hardest at the great majority of older people—those of average or above-average financial circumstances, who are neither rich nor very poor. Giving assistance to people who are already reduced to poverty is necessary, but of equal importance is preventing dependency among elderly who are financially independent in normal circumstances.

Furthermore, few people willingly give up their independence, privacy, and personal dignity in order to secure public health assistance. Some people have said that public welfare investigations are similar to investigations made when a person negotiates for a loan or makes a major purchase on the installment plan.

There is a significant difference. The purpose of the credit investigation is to find out whether he is financially dependable and likely to remain dependable. The purpose of the welfare investigation is to determine whether he is a financial failure who is unable to provide for himself and his family. For a person who has been financially independent all his life, such an investigation to prove his indigency can be a shattering and demoralizing experience.

Unless some new method of financing health care in old age is adopted, even the very poor aged will not be able to look to public assistance for the help they need. It is now 2½ years since the enactment of the Kerr-Mills legislation which made Federal grants available to help the States establish medical assistance programs for the so-called medically indigent. Only half of the States have established any kind of a program of medical assistance for their aged residents under this legislation. Many of the programs that have been set up do not meet the crux of the problem.

In January 1963, only 116,000 elderly people were getting help under these programs. This is a small portion of the aged who had high medical costs in that month and lacked adequate financial resources. Three-quarters of the payments were paid in three large industrial States—California, Massachusetts, and New York.

Very little has been done in the States with lowest income and greatest need. These poorer States do not have their part of the matching funds necessary to do an adequate job and in some instances not enough to do any job. The financial burden on the States, if all were to develop full-fledged MAA programs under the Kerr-Mills legislation would be enormous.

NO MEDICAL AID FOR THE AGED PROGRAM IN MINNESOTA

While my own State of Minnesota has done fairly well by its impoverished elderly residents, I regret to say that it is not one of the States that has set up a program of medical assistance for the aged provided for by the Kerr-Mills legislation. A bill that would have put such a program into effect was introduced late in the 1961 session of the State legislature. Hearings were held in both houses, but no bill was reported out of committee in either house and the session adjourned without further action. What will be accomplished during the 1963 session remains to be seen. I sincerely hope that positive action will be taken and that a good program for the medically indigent in Minnesota will go into operation.

SOCIAL SECURITY: THE ONLY SENSIBLE SOLUTION

In summary, neither public assistance nor private health insurance offers the solution to the problem of paying health costs in old age. What is needed is a mechanism whereby persons can provide in advance—when they are working and can afford to do so—for the health costs they will face in old age. Private health insurance organizations cannot sell adequate health insurance policies on this basis. Furthermore, the health cost protection should be provided in a way that is consistent with our traditional American concern for the dignity and privacy of the individual—without the extensive investigation of one's personal affairs that is built into our welfare programs.

The social security system, under which people pay during their working years toward the benefits they will receive when they retire, offers the only mechanism that satisfies both these basic conditions. Moreover, a social security hospital insurance plan would benefit from all the economies which lower the cost of group health insurance coverage. Since much of the administrative machinery already is functioning in carrying out the present social security program, social security hospital insurance could be administered at a cost of about 3 percent of benefits.

THE PRESIDENT'S PROPOSAL

It is with great pride that I joined with the Senator from New Mexico [Mr. ANDERSON] and many other colleagues in sponsoring the President's program of hospital insurance for the elderly through the social security system (S. 880). The proposed program would benefit virtually all of the elderly—social security beneficiaries, railroad retirement annuitants, and the elderly people who have not had an opportunity to earn protection under these programs or under the health benefits plan for active and retired Federal employees.

First, hospital insurance protection would be provided for all the aged now on the social security benefit rolls, whether or not they have paid any of the additional taxes to be allocated to the hospital insurance trust fund. One of the important features of social insurance is that improvements in the program—benefit increases as well as broadened protection—can be and are provided to all those who are already beneficiaries and are no longer contributing to the program. The cost of making hospital insurance benefits available to those people who are already age 65 or over and eligible for cash social security benefits is relatively small. The employer contribution to the proposed hospital insurance program would more than meet the cost of these payments. Thus, future workers will not be hurt; in fact they will get in hospital insurance protection more than the value of their own contributions since they too will benefit from the employer payments.

In addition, hospital benefits would be made available to people who are not eligible for monthly social security or railroad retirement benefits. The provision for such people would be transitional—that is, it would take care of everyone who had been born too soon to earn full eligibility under social security. The effect of the provision would taper off; that is, eventually all persons who reach age 65 will have to be eligible for social security or railroad retirement benefits in order to qualify for hospital insurance. In the

future, about 95 out of 100 will be able to satisfy this requirement.

Many of those who would not qualify for the proposed hospital insurance would be people who are eligible for health insurance under programs for active and retired Federal employees. Physicians and other groups who have rejected coverage under social security would also be excluded.

The payments that would be made for people who are already old and who are outside the social security and railroad retirement systems would be paid out of the general funds of the Treasury. Neither social security nor railroad retirement funds would be involved. Thus the principle that social security benefits are reserved for contributors would be preserved.

WHAT PROPOSED PROGRAM WOULD PROVIDE

Under the President's proposal, health insurance protection would be provided against the cost of inpatient hospital, outpatient hospital diagnostic, skilled nursing facility, and visiting nursing facility, and visiting nurse and related home health services. These benefits go to the heart of the problem the aged face in meeting the cost of their health care. Payment for the costs of hospital care will provide substantial relief where health costs are highest. The illnesses that are usually the most expensive are those that involve a period of hospitalization. Skilled nursing facility benefits would be valuable to the hospitalized beneficiary who can be given satisfactory care in a skilled nursing facility after the acute stage of his illness has passed.

The payment for outpatient diagnostic services would encourage early diagnosis. Early diagnosis, as we all know, is an important way of reducing the length of an illness and of enhancing the chances of recovery. Moreover, the availability of payment for such services removes an incentive to receive such services as an inpatient with the higher cost involved.

PROGRAM WOULD BE ADEQUATELY FINANCED

The President's proposal to provide basic hospital insurance for the aged carries with it a carefully developed plan for financing. The program will be financed in an orderly manner that will be no hardship on anyone. The benefits would be financed by increasing social security contribution rates—effective with January 1965—by one-fourth of 1 percent on employers, one-fourth of 1 percent on employees, and four-tenths of 1 percent for the self-employed; also, the amount of annual earnings subject to the tax and creditable for social security monthly benefits would be raised from $4,800 to $5,200 beginning with 1965. As a result of increasing the amount of earnings creditable for benefits, the maximum monthly cash benefit for a worker would rise to $134 instead of $127 and the maximum monthly benefit for a family would rise to $268 instead of $254. Further, the increase in the earnings base would provide additional income which together with the income from the contribution rate increase would fully meet all the costs of the hospital insurance program. A separate hospital insurance trust fund would be established for the program.

THE TRADITIONAL SOCIAL SECURITY APPROACH

Quite obviously, the proposal would not meet all the health insurance needs of the elderly. Nor do I think that the whole job should be done through social insurance. The program recommended by the administration is intended to be a basic program—with a complementary role for private insurance and a lesser, but nevertheless important, backup role for public assistance.

If hospital insurance for the aged is provided under social security, the effects on the voluntary health insurance effort will be comparable to the growth of private retirement insurance that occurred after passage of the social security program. This point has been made by others. For example, in a statement before the Committee on Ways and Means of the House of Representatives, Robert A. Rennie, vice president in charge of research of the Nationwide Insurance Companies, said, referring to hospital insurance under social security:

> Some people say it will interfere with the growth of private, voluntary insurance. As indicated earlier, all of the evidence is to the contrary. A tremendous growth of private insurance has accompanied the development of social security. In our opinion, private insurance carriers would have a broader, sounder market for voluntary insurance among our older people by building on the basic provisions of social insurance legislation.

ROLE OF PUBLIC ASSISTANCE

Just as private insurance will play an important role in providing needed protection, public assistance also will need to play its historic role in meeting the extraordinary needs of the indigent aged. If the administration's proposal is adopted, the financial problems faced by the States in implementing programs of medical assistance for their aged residents will be greatly reduced. It seems reasonable to expect that States will then be able to move in the direction of a more meaningful and effective health care program for those among the aged who would need further help in meeting their health care costs. Neither social insurance, private insurance, nor public assistance can do an adequate job alone. Together they can establish a new level of health security for all our present and future senior citizens.

CONCLUSION

The proposed hospital insurance benefits would be a logical—as well as greatly needed—addition to the present social security program. As the President said in his special message on aiding our elderly citizens which he sent to the Congress on February 21:

> Health insurance for our senior citizens is the most important health proposal pending before the Congress. We urgently need this legislation—and we need it now. This is our No. 1 objective for our senior citizens.

GENERAL WILSON'S BLUEPRINT FOR WATER RESOURCES CONSERVATION

Mr. YARBOROUGH. Mr. President, on rare occasions a speech is made with such depth and perception that it withstands the test of time and becomes a valued document.

Last May 18, 1962, a speech was delivered before the National Rivers and Harbors Congress, on the board of which organization I serve, by Lt. Gen. W. K. Wilson, Jr., Chief of Engineers, U.S. Army.

General Wilson's speech dealt with the interweaving of our water resources future, and the future of our national defense. Because it is an excellent speech on a vital subject, I ask unanimous consent that General Wilson's remarks, titled "Water Resources Development and National Defense," be printed in the RECORD:

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

WATER RESOURCES DEVELOPMENT AND NATIONAL DEFENSE

You have dealt generously in giving me this opportunity to talk about water resources development and national defense. It is a happy occasion when a man gets a chance to expound in public on his favorite subject. National defense has been my career since entering the U.S. Military Academy and water resources have occupied a large share of my time since entering the Corps of Engineers upon graduation.

One soon learns, in the corps, that water development and defense are two sides of the same coin. The Nation's military strength is inseparable from its economic strength; its economic strength in turn depends upon the wise use of natural resources; and among natural resources, the conservation and control of water are absolutely basic.

Thus broadening and acceleration of water development of all kinds becomes a matter of primary national importance, which President Kennedy has stressed twice in his messages to the Congress during the past 2 years.

What this country needs now, and needs badly, is fuller realization of the great scope and size of the water-resources development task confronting it, and an absorbing dedication to an all-out, generation-long, water development effort.

How big is this task? I am going to cite some figures, derived in part from studies inspired by our work with the Senate Select Committee on National Water Resources a couple of years ago. I shall put them forward very tentatively, because in looking far ahead as we have to do in planning large-scale construction programs—the estimates of needs must necessarily be very rough.

Resources for the Future, Inc., made a monumental study for the select committee which indicates the magnitude of the reservoir storage capacity we shall need just to keep the rivers flowing adequately to meet all demands for water. The Corps of Engineers has completed the picture by taking into account a nationwide inventory of additional needs. The outstanding conclusion reached by combining the results of the two studies is that by 1980—only 18 years from now—the Nation will need to add more than 400 million acre-feet of reservoir capacity to its existing systems. This is 2½ times the capacity of all the reservoirs the Corps of Engineers has built in the past—mainly in the last two decades. And it somewhat exceeds the aggregate capacity of all reservoirs that have been built in the United States since its beginning.

And this is only the basic part of the job necessary to provide the high degree of conservation of water and control of streamflow to assure dependable supply for such requirements as domestic and industrial use and to maintain satisfactory stream conditions generally. Add to it the navigation improvements, local flood protection works, hydroelectric power, recreation, and other

related tasks of comprehensive development and the overall undertaking looms quite large.

When we in the Corps of Engineers try to size up our projected part of the task we find ourselves contemplating programs in the next two decades ranging from $1½ to $2½ billion a year for new construction alone.

Figures like these are startling. But when we look realistically at our national future, the scale of the projected development to meet water needs falls into proportion. The United States faces a big future—big in every aspect—big in strength, big in accomplishments, and therefore big in its needs.

To meet these needs, as we see them now, would require a corps program growing at a rate of about 6 percent each year. As a national goal is an annual growth rate of at least 4.5 percent for the gross national product, and as attainment of this goal depends upon prior development of basic natural resources, a growth rate of 6 percent in developmental programs appears entirely reasonable. Moreover, we have some catching up to do in the development of water resources.

We have made an analysis of how the demands projected by various authorities for the Senate select committee would, in all probability, affect those parts of the overall water resources responsibility to which the Corps of Engineers' efforts are normally directed. Our concern has been to ascertain where we have to raise our sights, how we need to sharpen our procedures, and in general, line out our work so as to make headway toward helping to meet future requirements.

I might add that we were interested in finding out where any bottlenecks might be encountered, so we might take early action in effort to avoid them.

Beginning with the reservoirs, let me pass along to you some of the facts our analysis revealed. The Senate select committee's report indicated that a total of well over 300 million acre-feet of reservoir storage space would be needed by 1980. This storage was projected just for regulation of the Nation's rivers to increase low water flows for purposes such as water supply, water quality control, power, navigation, recreation and the like. Additional storage reserves for flood control, most of which would be combined in the same reservoirs with water supply, would also be needed, making the total requirement about 400 million acre-feet of reservoir capacity.

Our estimates indicate that the Corps of Engineers should be prepared to build about three-fourths the total storage requirement, and that the cost would be something like $15 billion, figured at 1960 dollars.

Now where is the space to store this water effectively and economically to come from? In many respects, this is going to be a harder problem to solve than that of expanding the capability to build the reservoirs, or finding the money to pay for them. I think we will have the construction capacity, all right, but we will have to find many more able planning engineers to carry out programs of the magnitude indicated. I don't want to minimize the money—but if we've got to have the water, the question boils down to the hard fact that we've got to get it, through reservoir construction, and do it at the cheapest cost we can. But as to land on which to store the water, that is something else again. In some of our river basins, such as the Ohio, for example, the amount of feasible reservoir space which can be acquired without major disruption of existing development such as communities, highways, industries, railroads, and the like, is nowhere near adequate. And it is getting less every day. This is one of the aspects of the water resources job where the country is going to feel the pinch of the lack of enough highly capable and experienced planning engineers who can help give us the most water for the least sacrifice of either land or money.

Even when all these problems are solved—money, planning, capability, space and efficiency—we still will face the problem of time. If the challenge is to be met, and if construction programs of the scale we are talking about are to be carried out within only 18 years, we must start working on them much faster and quite soon.

To meet Federal flood control responsibilities properly, the multipurpose reservoir program should be supplemented by about 11,000 miles of levees, floodwalls, channel improvements, and related works costing about $2 billion. Also, some 3,000 flood-plain studies, costing about $80 million, should be undertaken to encourage local regulation in effort to minimize the flood risk and reduce the cost of building protection for property that should not be located in the flood plain.

Meanwhile, the augmented reservoir program would make feasible the installation by 1980 of about 33 million kilowatts of new power-generating capacity, costing over $5 billion.

Any forecasts must recognize the phenomenal increase in the public demand for water-based recreation. In 1961 the attendance at Corps of Engineers reservoirs alone totalled about 120 million. Fifteen years earlier it had only been about 5 million. In view of this growing demand, and in anticipation that new reservoirs will continue to be built and will be better adapted for recreation than older ones, an estimated 300 million attendance by 1980 is conservative.

We believe that State and local entities should be encouraged to develop the recreational potentialities of Federal reservoirs to the greatest possible extent. However, the Federal Government can and should acquire land for recreational development at reservoir areas and should also provide such basic facilities as access roads, picnic grounds, boat-launching ramps, sanitation, and the like. We contemplate that perhaps $700 million might be spent for such purposes at corps projects by 1980.

The national inland waterway system embraces some 20,000 miles of improved channels in commercial use. We have estimated that about 10,000 miles of these channels need improvement, and that about 1,000 miles of new waterways merit serious consideration for possible future development. The total cost of this possible future work would be about $8 billion. The urgency with which this additional construction should be carried out depends upon factors which are difficult to predict. In addition to possible modifications in national transportation policy, the main determining factors are the growth of transportation needs, and the future cost of alternative forms of transportation. At present we can only assume that needs will develop at about the same rate in the future as in the past. On this basis we should anticipate investing about $2.7 billion in the improvement or construction of waterways by 1980.

Also, construction of 14 new deep-draft harbors on the seacoasts and the Great Lakes, and improvement of 46 existing harbors are expected to become justified over the next two decades. The estimated cost of this work is about $2 billion.

The Atlantic coastal storms early this March have emphasized the need for expanded programs to protect against loss of life and property and destruction of beaches along the national shoreline. Without taking into account changes that may occur in Federal legislation and policy, we feel reasonably sure that we will be called on to undertake more shore protection, including hurricane protection projects, than has been contemplated before this year. A very rough order-of-magnitude estimate might be in the neighborhood of $1 billion by 1980.

To get the big, overall, comprehensive water resources development job done on time and economically, we shall have to accelerate river basin planning and project surveys. Increased emphasis is being placed on this activity in my own office. And, as a first step in avoiding a bottleneck, special river basin planning units have been established in each of our divisions. These units will carry on continuing studies of reservoir needs and potentialities for each river basin similar to those prepared for the Senate select committee. These studies will help provide the detailed data needed to further refine the estimates of needs set forth by the committee. They will also help the Corps of Engineers develop more dependable timetables for providing additional storage capacity, will help locate reservoir sites, and will determine the river flows needed at key points along the main rivers.

We expect our basin-study units to help us cooperate effectively with other river-basin planning agencies such as those recommended by President Kennedy. Pending completion of comprehensive basin plans, they will help us to make sure that our proposed projects will fit well into future plans and help us give proper consideration to selecting the best of alternative means of meeting resource needs.

Let me repeat that our estimates are necessarily based largely on meeting those requirements for which the Corps of Engineers has primary responsibility. But I might point out that many different water-resource programs tend to converge on those of the corps, particularly with respect to basic streamflow regulation. Our basin-study assignments, from the late 1920's to date; the nationwide scope for our programs, and our involvement not only on rivers but on lakes and seacoasts; the many contacts we have established at community level all over the United States through both our military and our civil missions—all these bring us into contact with the Nation's overall water-resource needs and problems. And I hope that by telling you candidly how big the job ahead appears to us, it may help organizations such as the National Rivers and Harbors Congress to gear up their own efforts to help get the water-resources job done well and on time.

What we are dealing with involves the total future welfare of our Nation. Water-resource development must be undertaken not merely because it is profitable, or so that we may live more comfortably. It must be undertaken to preserve our national economy, our security, and our way of life. It is one of the foundation stones of national defense and of our country's future greatness. No task is more urgent. It is a challenge to us all.

ALL AMERICA CITIES OF 1962

Mr. ENGLE. Mr. President, I am pleased to learn that the city of San Diego, Calif., has been selected as 1 of the 10 All America Cities of 1962.

San Diego is in the midst of solving a problem more and more cities are faced with. It is the problem of a declining downtown area. Traditionally, the downtown area has been the center of commerce, the hub of government, the seat of culture.

But an all too common 20th century disease called urban sprawl can change all that. Allowed to run its own undisciplined, unplanned course, urban sprawl saps a city's downtown, lures business away from the city's center to its fringes. The downtown becomes little more than a museum piece from an earlier day, a day when all roads did, indeed, lead to the city—not away from it.

The people of San Diego, seeing their downtown area failing to keep pace with the demands of a rapidly growing population, combined public and private forces to breathe new life into their downtown. They formulated a plan which called for a 5,000-seat convention hall, a 3,000-seat civic theater and an exhibition hall, and parking space for 1,000 cars. They raised funds. And they started building. They have launched a $75 million project. Theirs is an investment in the city and it will pay dividends to them, to their children, and to future generations.

I want to publicly extend congratulations to San Diego for winning this award.

I wish to extend congratulations, too, to the city of Pomona, Calif., which was named among 10 runnersup in this nationwide competition.

The selections were made by an All America Cities jury, consisting of Dr. George H. Gallup, director of the American Institute of Public Opinion and former president of the National Municipal League; Mrs. Hazel Blanchard, president of the National Education Association; Albert C. Boyd, president of the American Chamber of Commerce Executives; William T. Gossett, former vice president of Ford Motor Co.; Mrs. Herbert E. Hawkes, president of the American Association of University Women; Leo Kramer, assistant to the president, American Federation of State, County, and Municipal Employees, AFL–CIO; Roy B. Martin, Jr., mayor of Norfolk, Va.; William V. Merrihue, board chairman, Effective Citizens Organization; Vernon C. Myers, publisher, Look magazine; James M. Osborn, research associate, Yale University; Mrs. Robert J. Phillips, president, League of Women Voters; Dr. Donald H. Webster, director of the Bureau of Government Research and Services, University of Washington.

This month Look magazine is presenting a series of articles and pictures about the All America selections. I ask unanimous consent that the lead article and the article on San Diego be printed in the RECORD.

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

[From Look magazine, April 1963]

EVERY 11½ SECONDS, OUR CITIES MUST MEET THE NEEDS OF A NEW AMERICAN

A baby is born, and an American city has a new citizen—and a new problem. As this child matures, he will require schools, hospitals, police protection, and a host of other community services. His city government is nominally responsible for providing these services, but the final responsibility for maintaining a good city rests with his parents and other private citizens like them. As novelist and poet Jan Struther put it, "A city's as great as the little people that live there." Effective citizen action, not merely good government, is the basic criterion for the All-America City citations, which are awarded annually by Look and the National Municipal League. The size and wealth of a city do not matter. For instance, this year's smallest winner, Grafton, W. Va. (5,700), won because of its citizens' efforts to remedy a staggering unemployment problem.

In the years since the All America Cities contest began, over a hundred communities have received awards for such diverse achievements as getting rid of a corrupt city administration or building a school. Some problems are common to many cities: providing services for a rapidly expanding population, renewal and rehabilitation of blighted areas, changing the machinery of government as adjacent municipalities grow together to become one city, and, always a danger, citizen apathy. Cities learn from each other in solving these, and other, problems. Falls Church, Va., a 1961 winner, learned about citizen political activity from Rockville, Md., a winner in 1954 and 1961. This year's 22 finalists were selected from almost 70 applicants by a committee of experts. Last November, the finalists presented their cases to the All America Cities jury during the National Conference on Government at Washington, D.C.

[From Look magazine, April 1963]

SAN DIEGO, CALIF.

San Diego, third largest metropolis on the Pacific coast, is getting a new heart: Centre City. Centre City is the local answer to downtown deterioration, a common ailment of American cities. Working closely with local officials, San Diegans, Inc., a nonprofit corporation formed by 50 community leaders, financed 4 economic studies of the downtown area. The city government, guided by these surveys, produced a plan of rehabilitation that called for downtown construction of government buildings. Centre City's Community Concourse will include a 5,000-seat convention hall, a 3,000-seat civic theater, an exhibition hall and parking space for 1,000 cars.

When the city found it would need additional funds for the Community Concourse project, volunteers raised $1,600,000 in just 6 weeks. Businessmen joined in and began construction of commercial buildings with 1,500,000 square feet of space. The Centre City plan will provide, by 1965, an efficient, modern downtown area at a cost of nearly $75 million in public and private funds. With Centre City, San Diego lives up to the new slogan: "City in Motion."

THE OUTSTANDING ACHIEVEMENTS OF THE BEAUFORT COUNTY LIBRARY

Mr. JOHNSTON. Mr. President, I wish to bring to the attention of the Senate the fact that the Beaufort County Library has won the 1963 Dorothy Canfield Fisher Award.

This award is presented to the outstanding library of the Nation as a signal recognition of achieving outstanding library facilities and services in municipal areas not exceeding 25,000 people. The Beaufort County Library won this award in competition with comparable libaries throughout the United States.

The library program in South Carolina and in each of our counties and cities is one of the most progressive in the Nation. This is not the first time a South Carolina Library has won the Fisher Award. In 1961 it was awarded the Greenwood City and County Public Library, and in 1962 the Oconee County Library.

In connection with this, the South Carolina General Assembly passed two resolutions, one commending Miss Estellene P. Walker, director of the State Public Library Association, and the other commending the Beaufort County Library board and staff for having won this $5,000 library award, which will be presented to the library on Sunday, April 21.

Mr. President, I ask that these resolutions be printed in the body of the RECORD.

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

RESOLUTION H. 1415

Concurrent resolution commending Miss Estellene P. Walker for her services as director of the State Public Library Association

(By Messrs. Addis, C. A. Mitchell, Graves, W. Brantley Harvey, Jr., and Carnell)

Whereas Miss Estellene P. Walker has served as director of the State Public Library Association for more than 16 years; and

Whereas under Miss Walker's leadership and direction the public libraries in our State, especially those in the smaller towns and rural communities, have experienced a tremendous growth both in number and quality; and

Whereas the superior quality of the public libraries in our State has been evidenced by 1961 and 1962 Dorothy Canfield Fisher Awards being won by the Greenwood City and County Public Library and by the Oconee County Library, and by the Beaufort County Library's earning of the 1963 National Dorothy Canfield Fisher Award: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That Miss Estellene P. Walker, director of the State Public Library Association, is hereby commended for her outstanding public service in promoting the extension and development of public libraries in this State; and be it further

Resolved, That a copy of this resolution be sent to Miss Walker.

RESOLUTION H. 1416

Concurrent resolution to commend the Beaufort County Library Board, the county librarian and his staff, upon the Beaufort County Library's winning of the 1963 National Dorothy Canfield Fisher Award

(By Messrs. Graves, W. Brantley Harvey, Jr., Addis, C. A. Mitchell, and Carnell)

Whereas the Beaufort County Library has been chosen the national winner of the 1963 Dorothy Canfield Fisher Award; and

Whereas competitors for this award were libraries recommended by the State library boards or similar agencies of 48 States; and

Whereas this award is presented annually in signal recognition of outstanding library facilities and services provided for counties or cities with municipal populations not in excess of 25,000; and

Whereas this national honor reflects with distinction not only the caliber of the library facilities of Beaufort County but of all the similar libraries throughout our State; and

Whereas the general assembly wishes to commend the Beaufort County Library Board, the county librarian, Mr. T. Ray Peppers, and his staff upon earning this highly coveted recognition of distinguished public library service: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Beaufort County Library Board, the county librarian, Mr. T. Ray Peppers, and his staff are hereby commended upon the Beaufort County Library's winning of the 1963 National Dorothy Canfield Fisher Award; and be it further

Resolved, That a copy of this resolution be sent to Mr. Larry J. Rogers, chairman of the Beaufort County Library Board, Hilton Head Island, S.C.

WINSTON CHURCHILL, CITIZEN OF AMERICA

Mr. YARBOROUGH. Mr. President, I share the pleasure of the Senate at its having been able to complete action yesterday on the resolution granting honorary American citizenship to Winston Churchill. As a cosponsor of one of these resolutions, I am proud to have been associated with this fitting recognition for one of the greatest men in the world in this century. None of us who were adults at the time of World War II can ever forget what this man meant to the world in rallying the forces of democracy. It is entirely fitting that we grant him an honor that is unique, for his character and deeds have been unique. Winston Churchill, a citizen of the British Empire by birth and loyalties, is now a citizen of America by congressional action, as indeed, he is a citizen of the world by his life and deeds.

An editorial in the Washington Post of this morning well expresses the affection we feel for Sir Winston Churchill. I ask unanimous consent that it be printed in the RECORD at this point.

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

CITIZEN CHURCHILL

By its unanimous vote, the U.S. Senate has fittingly and appropriately concluded congressional action upon the resolution which directs the President to declare Winston Churchill an honorary citizen.

There is no action that this Government could take that would be more in harmony with the sentiments and feelings of the American people who will welcome with joy into the fellowship of this new and formal association one who long has been united to America and Americans by bonds that no political body could either devise nor dissolve.

This unanimous act of the Senate will gladden the hearts of all Americans. A great legislative body has as its primary duty the affirmation in the statutes of those resolves already confirmed in the minds of a free people; but it has an equal duty to affirm by solemn enactment the sentiments that stir the hearts of citizens. This is such an enactment.

It is to be hoped that it will also gladden the heart of Winston Churchill. There is reason to think it will. Like Henry V, he could always say: "I am not covetous for gold * * * but if it be a sin to covet honour, I am the most offending soul alive." Such men may have a surfeit of everything else upon this fair earth, but of honor they can never have enough. And so, there is reason to hope that his honor, heaped high although it is upon a life already filled with honor, will find the taste for more not staled by all that has befallen him, the appetite for honor undiminished. And may the savour of this honor stay sweet upon his tongue in all his days to come, comforting him in the hours of his old age and nurturing to brighter recollection the memory of his great deeds.

To construe this act as a mark of that special relation which exists between this country and England would be to underestimate the honor and overestimate that historic bond, for the special relationship out of which this action springs is that between these greatly led and those who greatly lead them. Free men everywhere shared for a while in the greatness of this man, reveled in his glorious phrases, roused to his brave sentiments, rejoiced in his bold challenges. This is the special tie that binds us all to him and him to us. It is good to have it unanimously affirmed by the U.S. Senate.

ADDRESS BY NEWTON N. MINOW

Mr. McGEE. Mr. President, yesterday Newton N. Minow, Chairman of the Federal Communications Commission, made a speech to the National Association of Broadcasters in Chicago. In that speech he covered, with great insight, several areas of concern to both the broadcasting industry and to the viewing and listening public.

Since these networks use the public airways and since they are a potent force in shaping our society and in the education or lack of it for our children I hope that we in this body and those concerned for the future will read carefully his remarks.

Mr. President, I ask unanimous consent that this speech be printed in the RECORD.

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

ADDRESS BY NEWTON N. MINOW, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION, TO THE NATIONAL ASSOCIATION OF BROADCASTERS, CHICAGO, ILL., APRIL 2, 1963

Governor Collins, distinguished guests, ladies and gentlemen, during the past few months, you may have seen some speculation in the press about my leaving the Commission. I've even received some mail as a result of these rumors. One Hollywood television producer wrote me a kind letter, and said, "Mr. Minow, you've been chairman of the FCC since 1961. Anyone in the business can tell you that 2 years in television is a long run."

The quantity of mail has also been instructive. Several months ago, one network announced it was going to drop the program "It's a Man's World" in light of, if you'll pardon the expression, low ratings. The network quickly received thousands and thousands of letters of protest. In the weeks since the rumors began about my leaving the Government, I received eight other letters concerning that possibility. Seven were from applicants for my job, and the eighth one said, "It serves you right for letting 'It's a Man's World' go off the air."

Apparently, these rumors have also stimulated some conversation in the industry. One network vice president said to his boss: "If Minow leaves, I only hope he leaves permanently, and that they're not just going to get a summer replacement for him." His boss replied: "And we don't want any reruns either."

Ladies and gentlemen, I shall make no announcements or statements today about these rumors, except to suggest to you that you continue to do business at the same old stand in our office at 12th and Pennsylvania Ave. To turn to business, I begin today with a public service announcement for another regular customer of the FCC. Many people erroneously think that the FCC is concerned only with broadcasting. Among our other modest assignments is the regulation of communications companies in the telephone and telegraph industries, including the American Telephone & Telegraph Co.

Through FCC action, a reduction in telephone rates goes into effect this week. For $1 or less, you will be able after 9 p.m. to make a 3-minute station-to-station call to any place in the continental United States. I hope that you will all call your mothers, wives, sweethearts, sons, and daughters at college, or your station managers at this reduced rate.

Unofficially, I've suggested that the telephone company might try commercial spot announcements—not loud ones—on radio and TV at 9 p.m. every night to promote use of this new rate. When I mentioned this to several broadcasters to show them how we were promoting their business, they were not too enthusiastic. They feared that when people heard the announcements, they would turn off their sets to rush to the phone. Perhaps the FCC can't win.

As you know, this is my third annual talk with you as FCC Chairman. Let us review together some of the more important developments of the past several years.

First, in 1961, it was predicted that international television "will be with us soon." Soon came much sooner than expected, on July 10, 1962. Less than 1 week after the celebration of our national Independence Day came the beginning of what promises to be the most vital instrument for international interdependence—the birth of a common market for the free exchange of ideas. An active communications satellite was launched through the joint efforts of Government and private initiative, with a license from the FCC.

Already we have seen, live, the Ecumenical Conference, the midnight sun in Sweden, fishermen in Sicily, night life in Paris. Europeans have glimpsed the Statue of Liberty, the United Nations, the Rio Grande, and a big league baseball game. The day was brought closer when billions of people on this planet will be linked through instantaneous sight and sound. And on July 10, because of this magic, the powers of darkness retreated while light advanced across oceans and over mountains. We were not the first nation to launch a man into space; but we were first to launch an idea into space. American science and technology built for the world, not a wall sealing in ignorance and prejudice, but a window opening toward truth and freedom.

Second, educational television. You were promised that if there is not a nationwide educational television system in this country, it will not be the fault of the FCC. A strong national educational television system is steadily developing because educational TV now is receiving more of the necessary support from leaders in education, in government, in business, and in the general community—and I'm proud to say from many of you.

Since January 1961, we have reserved 56 additional channels for educational use, and laid the basis for a number of statewide systems. Twenty-three more educational TV stations are on the air now than 2 years ago, bringing the total of today's stations on the air to 77. This is only the beginning. The educators have estimated that over 1,000 assignments could be required to serve educational needs in the next decade.

Educational television must have outlets in the major communities, with their varied resources and large populations. The transfer of channel 13 to the educational interests of New York and New Jersey benefits not only the immediate area, but the entire national educational service. And an operating station at the other end of the East-West line in Los Angeles is on the drawing boards under the leadership of distinguished, public-spirited citizens in California. We actively supported the passage of Federal legislation to help the construction of educational stations. We created a special unit in the FCC to work with the educators and other interested agencies and State officials. We have placed educational TV in the mainstream of Commission activities and it will stay there.

Third, as you were promised, renewals of broadcast licenses have not been automatic. I remind you that before the New Frontier arrived, former Attorney General Rogers recommended to President Eisenhower in 1959 that the Commission undertake "regular

spot checks in depth each year (just as the Internal Revenue Service spot checks individual tax returns) of the renewal applications of a number of licensees or of the licenses in a particular community."

In the last 2 years, 14 licenses were revoked or denied a renewal; 15 more are now in the hearing process on the question of revocation or renewal; 26 licenses were granted on a short-term basis. Notices of apparent liability for fines have been issued in 21 cases. In 14 hearing cases involving license renewal or revocation, the hearing was ordered held in the station's own community.

Some hearings have also been held in the field to give the public a chance to express views on local service. These hearings have been conducted without regard to renewals of licenses. The public—your real ownership—has had an opportunity to give its views—some good, some bad—and to participate to a fuller extent in your decisions on broadcast service. I believe that with broadcasting stations as with income tax returns, the practice of making an occasional audit in depth is an effective though sometimes painful way of finding out whether the public interest is being served. I cannot understand how local expression about broadcasting service can be interpreted as governmental interference with freedom. The public's right to insist on having a voice in your decisions will be honored and maintained.

Some people in this industry, whom you so colorfully call "schlock" operators and whom we call law violators, have been finding out that when they promise public service to obtain a valuable license, they will be held to their promise. And the large majority of you, who do regard the public interest as a way of long broadcasting life instead of a quick commercial break, silently, I repeat, silently endorse our efforts.

Fourth, we have encouraged you to take positions on issues, to be unafraid of controversy, to editorialize, to help mold and lead public opinion. More and more of you are beginning to use your voices and to take a stand. The issues you examine are slowly shifting from pallid controversies about mother love and canoe safety to such adult themes as foreign aid, Cuba, civil rights, narcotics addiction, and the tax program.

Where there have been complaints, the Commission has backed you up, provided that you afforded a reasonable opportunity for the presentation of opposing views. Whether the complaints were about "Biography of a Bookie Joint" or the "Battle of Newburgh" or the much-discussed program about Mr. Nixon, we have repeatedly protected you against those who would water down your convictions through pressure group intimidation or suppress your freedom through commercial reprisals. And, I might add, that when the going gets rough on true issues of freedom of expression, many of you otherwise stanch defenders of free speech are conspicuously silent and absent from the fray.

Fifth, you were promised that we would press the FCC network study to a conclusion with useful results. This study, which began in 1955, and reached a halfway point in 1958, has now been completed. Our staff has made a report on network policies and practices, which the Congress is printing and distributing. We now have a clearer picture of the function, the power, and the problems of television network operations.

The basic issue before us can be stated quickly. The networks are an indispensable part of television. Our three networks have furnished to the people of this Nation informational and entertainment programing which could not otherwise have been achieved. Strong networks, and I hope one day there will be more than only three, are essential to successful television broadcasting. But when does strength become all-embracing dominance? Not long ago, an executive of one of the country's largest television advertisers, David J. Mahoney, of Colgate-Palmolive, said: "While the number of men who comprise the television industry may be relatively small, there is nothing small nor unimportant about the power this body wields. The networks today not only determine what gets on the air, but they own practically all of the shows. I believe there are about a dozen exceptions, but even in some of these, the networks have partial or controlling interests."

Power inevitably carries with it grave responsibility. We presently look to the stations, not the networks, while we know that it is generally the networks and not the stations which make the crucial decisions about what the public sees and hears. The responsibility for what goes out over the air cannot be left up in the air. And those who are making a buck from television must stop passing the buck.

Our problem is to maintain a free market for ideas in television, while preserving and encouraging essential services which only the networks currently provide. Frankly, I had hoped to be closer to a resolution of these issues than we are today. The ultimate solutions may rest with the Congress. Our staff's recommendations are under active study now by the Commission, and we intend to move.

Next radio. Let me once again express publicly the appreciation of your Government for the extraordinary cooperation and dedicated public service provided by you radio broadcasters at the time of the Cuban crisis last fall. Because of necessary security measures, there could be little advance notice given of President Kennedy's intention to speak to the Nation on October 22, 1962, or of the nature of his address. It was imperative that the President's message be heard by the people of Cuba.

In the hours prior to 7 p.m. on October 22, a study was made by the Voice of America and the Commission of the American stations which provided a strong signal to Cuba. Each was then asked to stand by for an important request from the White House. Between 6 and 7 o'clock, our Defense Commissioner Bob Bartley and I were with Pierre Salinger to help him reach seven broadcast stations and two short wave stations. In each case they immediately agreed to make their facilities available to carry the President's message. These stations, together with two more which volunteered their services, carried programs fed directly via land lines from Voice of America studios for several weeks thereafter. As the President has said, this unprecedented use of American private broadcast facilities effectively aided an important national defense effort. It is a remarkable demonstration of the cooperation our broadcast industry stands ready to give in times of emergency, and your Commission is proud of you and grateful to you.

Last year, we concluded that the time had come to give radio a long, hard look—to find out whether we were helping radio to make its own unique contribution to the public or whether we were stifling and warping the efforts of this oldest of our broadcast services to meet the newest of challenges. You responded promptly and constructively. In a friendly spirit, the Commission and all parts of the radio industry held a major conference. In the interim, we have imposed a freeze, declining, with few exceptions, to act on any new AM radio applications.

Where do we stand now? What have we found? And what do we propose?

Well, it's no secret that we've found a lot of people who don't find radio freezes as tasty as lime or lemon. We don't like freezes any more than they do. We're doing our best to restrict this freeze to the minimum period required. We will shortly propose some new rules for radio; rules which will tighten engineering standards. We hope to eliminate a great many unnecessary hearings which have eaten away the time, money, and energies of both the Commission and applicants for new or changed facilities, and which have created little in the long run except uncertainty, expense, delay, and exasperation.

I shall not discuss these proposals in detail today. I do assure you that the Commission views the competitive system of radio as basically sound and healthy. But it must proceed under clearly defined minimum standards of qualification and performance—standards that all know and understand and which will channel rivalry between stations into a striving for better service to the public.

Personally, I believe the Commission should adopt fundamentally different approaches to radio and television. In radio, we have abundant facilities. In a community with numerous stations on the air, I believe we should encourage more flexibility and specialization. I also believe that FM and AM should be considered together as one aural service. FM is coming into its own, and we are delighted with the splendid growth of FM stereo service and the advances of FM generally. The time to preserve FM ability to make its own unique contribution is now. There are glimmerings of a return to drama on the radio, and there are healthy increases in news coverage. Last year, more radios were purchased in the United States that ever before and we will do what we can to help, and not obstruct, radio's continuing growth and service to the public.

Finally, there are basic developments in UHF television. Our technical tests in New York are completed, and UHF passed with flying decibels. In this country, we are committed to a competitive enterprise system. We believe that the more free the competition the better the chance for growth, development, quality, and a kind of balanced productivity where there is something for everyone according to everyone's taste and pocketbook. We have a deep and committed faith in an open society, where talents are free to compete, to succeed, or even to fail. Under this system, the public is given the widest range of choice. Initially, the limitations of channels severely restricted television's opportunity to become a part of our free enterprise system. We could make available only 12 TV channels on a fully competitive basis, which meant in some communities that the channels were down to 2 or 1, or none.

However, last year, the Congress adopted legislation which over the long run will help put television back in the free enterprise picture. The all-channel receiver legislation cannot, by itself, guarantee quality; it can only guarantee the widest possible opportunity to achieve quality and to widen the viewer's choice.

More channels of opportunity open up at least four new dimensions of television service. By lighting up 82 channels instead of just 12, the country has a chance for: (1) A truly nationwide educational television system, with stations offering classroom instruction by day and broad, cultural programing in the evening; (2) a nationwide system of pay television if the public is willing to support this alternative to an advertiser-supported system; (3) a new commercial network attempting to provide more diversity for the public; (4) new stations to meet local needs in many communities without local service.

Some people sincerely believe that overall TV quality may suffer by added channels. But our free competitive system is an act of faith, and in the long run we have faith that new dimensions of television service will broaden the range of choice, will upgrade instead of degrade, will inspire instead of stultify, will liberate instead of suffocate.

As we move in this decade into the second round of UHF television's growth, we should ask ourselves some basic questions. Where do we go from here? Where do you go from here?

Not long ago, I read an extraordinary article entitled "Renewal in Societies and Men," by Dr. John W. Gardner, president of the Carnegie Corp. Poking beneath the surface and superficial, Dr. Gardner ponders the ingredients needed to keep a society alive and "relatively immune to decay." Dr. Gardner wrote: "When we talk about revitalizing a society, we tend to put exclusive emphasis on finding new ideas. But there is usually no shortage of new ideas; the problem is to get a hearing for them. And that means breaking through the crusty rigidity and stubborn complacency of the status quo. The aging society develops elaborate defenses against new ideas—'mind-forged manacles,' in William Blake's vivid phrase."

Dr. Gardner observes that as an organization becomes older, there comes to be a rule or precedent for everything. Men become prisoners of their procedures. And, he reminds us that "the last act of a dying organization is to get out a new and enlarged edition of the rulebook."

It is time to review the ever-enlarging rulebooks to see whether, even in this exceptionally young medium and industry, we are already in danger of becoming prisoners of our own procedures. By "we," I mean not only you broadcasters, but also those of us on the regulatory side.

I would like today to make several suggestions for all of us concerned with television.

We can all agree that one of TV's basic problems is the insatiable appetite of the medium for programing material. Given the best talent, the best intent, and the best financing, it is difficult for TV to create quality programing at the fantastic rate programs are consumed. One of the tragedies of television today is that most of our great programs, just like our not-so-great, disappear after one fleeting hour or half hour, never to be seen again. The rule with some exceptions, appears to be: "See it now—or never." Unlike other media of information and entertainment, television says flatly to the viewers: "Turn the dial to our station, now, at our convenience, or miss it ever afterwards." One thoughtful observer, Father John M. Culkin, notes that arranging your schedules to see a must program is like arranging for a plane flight, except there is no second time around if you miss it.

This becomes even more regretful when we examine what the television critics had to say and when we hear word-of-mouth reaction which advises us on Tueesday what we missed Monday night. As Goodman Ace once observed: "The job of a TV critic is to write 'Don't watch that lousy program that was on last night.' "

To be serious, our critics often tell us of the fine program we missed. Our friends and neighbors tell us of the special program we could not see. And our children often miss some of your better efforts which are scheduled after their bedtime.

This is a situation which is easily rectified through new technology. Few programs are live today. Although I am among those who mourn the dearth of live TV, there is comfort in the fact that programs on film or tape are easy to repeat at other times convenient for those who missed the first telecast.

A great deal of superlative TV fare, though it cannot be matched every hour, can certainly be repeated on the new UHF channels for the public. With some imagination and enterprise, UHF in the future can, among its other useful potentials, provide the ideal second-and-third opportunity for the great hours and half hours of TV.

This possibility, I believe, makes good sense and good economics. Even the special programs which reach the largest TV audiences still leave a residue of nonviewers in every community which is at least equally large; and this audience, kept from the first viewing by other plans, or by competing TV, or by lack of foreknowledge, could tune in the next night, or week, or month, or even several hours later, if given the opportunity. The heavy cost of producing much of our top TV demands residual uses to amortize production expenses, uses over and above the some time syndication or sale of foreign rights. The present system often produces a colossal waste, of money, of talent, and dedicated work. It results in a shameful deprivation, a needless withholding of information and entertainment from what is probably the majority audience who missed the first showing.

What can UHF do to help?

Quite a bit. UHF could make it possible for the networks to have two affiliates in some communities, a first-run and a second-run affiliate. The second affiliate would be a UHF station which would have access to the network's programs on a delay or repeat basis. The public would then have a second chance to see the best the networks have to offer within a week or so for timeless drama, music, and entertainment programs, and perhaps a shorter time in the case of news or informational programs.

Consider the benefits. New, less affluent advertisers could enter television; program costs could be better amortized; participants could receive some additional income.

Even as I point out these pleasant economic consequences, I am aware that there are a lot of cloudy problems. You will wonder about competing with yourselves. What about sponsors? What about ratings? About unions? As cloudy as the problems are, equally clear is one overriding consideration: Your responsibility to the public.

That responsibility, I say with John Gardner, can be met by shaking those mind-forged manacles, and by breaking through the crusty rigidity and stubborn complacency of the status quo. Perhaps you have some better ideas to accomplish the same purposes. How about some experiments? UHF in the future offers a rare second chance, an end to the scarcity of air time that has plagued television in the past. Let us use this exceptional opportunity to try out some new ideas. You are too young, too vigorous, too creative to be bound by this year's rule book or last year's balance sheet. The enemies of progress, the twin ghosts of fear and habit, must not imprison you in your own procedures.

The new channels also provide fresh opportunities to see programs from other lands. Fine television fare is being produced all over the world, and their producers are eager to make these programs available to the American audience. Variety shows, serious drama, documentaries of high quality are created in England, France, Italy, Canada, Japan, to name only a few countries. With UHF channels, program exchanges can be vastly increased. As TV Guide said recently: "We might see a British play one week, vaudeville turns from half a dozen countries the next week, bits of political debates, quiz shows, mysteries, science programs—the whole world of television could be our oyster.

"Foreign viewers see many American shows. Isn't it time that we had an opportunity to see some of theirs?"

That's a fair question, and I refer it to you ladies and gentlemen for a fair answer.

Another subject we should discuss is commercials, a matter of debate in broadcasting since 1922. It was in 1922 that Herbert Hoover, then responsible as Secretary of Commerce for the regulation of broadcasting, said, "It is inconceivable that we should allow so great a possibility for service, for news, for entertainment, for education, and for vital commercial purposes to be drowned in advertising chatter."

Forty-one years later, the American public is drowning, and calling for help.

A television commercial is broadcast somewhere in the United States every 1.7 seconds.

To figure out how often a radio commercial occurs would give a computer a nervous breakdown.

At the FCC, we have a policy against overcommercialization. If you ask us what that means, we would have to confess that in all its years, the FCC has never established ground rules defining it.

However, at the National Association of Broadcasters, you have a code of brodcasting practices. In the code is a specific and detailed provision for time to be devoted to commercials. The code was written by this industry and represents the thinking of responsible broadcasters about advertising practices. In your view, it establishes a fair standard under which "revenues from advertising" can support "the free, competitive American system of broadcasting" and at the same time "make available to the eyes and ears of the American people the finest programs of information, education, culture, and entertainment." Those quotations are from the preamble to the code itself.

The trouble with that code provision is that it is not complied with and is not adequately enforced. According to your own Bob Swezey, the head of your code authority, "It is virtually impossible for us to maintain industry standards in any practical sense. The public is still being victimized by the poor programing and shoddy practices of a large element of the industry which has no interest in standards and no compulsion to observe them."

The NAB itself says that only 1,750 radio stations subscribe to the code, approximately 38 percent of the radio stations on the air. In television, the figures are 405 subscribers, approximately 70 percent of the television stations.

And even those who subscribe to the code do not always adhere to its provisions.

One trade magazine summed up the situation recently by saying "As things stand now, a broadcaster can keep the code barefoot and knock it around the house as long as nobody from the National Association of Broadcasters' code authority is looking. Even if he gets caught, the neighbors aren't apt to hear of it."

Last year, I quoted the head of your own code authority, Mr. Swezey, who said to you that the time had come "to put up or shut up about self-regulation."

I submit you have succeeded in doing neither.

In another field, the Wall Street Journal recently urged greater self-regulation by the stock exchanges and observed "that the way to keep any neighborhood from crawling with policemen is for the community to insist upon good behavior all along the street."

That is sound advice. Yet, as Mr. Swezey remarked only 2 weeks ago, the interest broadcasters have "in self-regulation is * * * in direct proportion to the threat of government regulation." Self-regulation is clearly the best regulation just as self-discipline is the best discipline. Yet, though you have established reasonable standards for yourselves, you have demonstrated neither the capacity nor the will to enforce them. You can no longer have it both ways. You cannot subscribe in principle and ignore it in practice. Self-regulation cannot become self-deception.

That is why a majority of the Commission is inviting public comment on how best to solve this problem. One proposal we will consider is whether your own standards on commercials be adopted as Commission standards.

I wish I could persuade you and my colleagues to go to the Congress together to

urge that broadcasting legislation follow the principles of the Securities Exchange Act. I would urge that the law require that every broadcaster belong to the National Association of Broadcasters, just as most bankers belong to the National Association of Securities Dealers. You should be professionals, a status which many in your ranks already deserve. But this demands that you maintain high standards and that you discipline those among you who repeatedly cut corners.

My friend and teacher, Bill Cary, Chairman of the Securities and Exchange Commission, recently said this about the SEC, "This Commission is in no mood to expand, to seek growth for growth's sake. Government steps in to fill an evident public need; we urge, indeed, entreat, the industry to acknowledge this need and fulfill it." I say to you today the same things about the FCC.

I would personally urge that you have the lawful authority to enforce your own commercial standards, with an appeal to the FCC, just as is done in the securities field with the SEC. I cannot understand why you do not see the wisdom of taking such a course instead of requiring further action from the Government. Those of you who live honorably by fair rules should insist now that your competitors adhere to them too.

Again, with Dr. Gardner, this requires shaking up the crusty rigidity and stubborn complacency of the status quo. But I believe that the long-suffering patience of the viewing and listening public has worn thin, and that in the long run, you had best shake up your own status quo before you are shook up by a fed-up public.

Finally, as we reexamine the status quo, I must confess that I have found the FCC, too, a prisoner of its own procedures. The Commission is a vast and sometimes dark forest where we seven FCC hunters are often required to spend weeks of our time shooting down mosquitoes with elephant guns. In the interest of our governmental processes, and of American communications, that forest must be thinned out and wider, better marked roads have to be cut through the jungles of red tape. Though we have made many substantial improvements in recent years, the administrative process is a never-never land which we call quasi-legislative and quasi-judicial. The results are often quasi-solutions.

The recent work of the Federal Communications Bar Association in reviewing our structure, has been useful, and some of its recommendations are most constructive. Though I am probably alone at the Commission in this view, I believe deeply that the judicial and the other so-called administrative functions of the FCC should be split. I do not think it wise, or even possible, that we can be simultaneously regulator and judge. Mr. Donald C. Beelar, the president of the Federal Communications Bar Association, once said that, "It is not possible for a man to be a good judge on Monday and Tuesday, a good legislator on Wednesday and Thursday, and a good administrator on Friday." I think Mr. Beelar is right.

I have studied the report of the Hoover Commission of 1949 and the 1959 report to President Eisenhower by Mr. Louis Hector, who served as a member of the Civil Aeronautics Board from 1957 to 1959. I agree basically with the views of the Hoover Commission and Mr. Hector. On this principle of separation of regulatory and judicial functions, I recognize that most of my colleagues disagree with me. I respect this majority view and recognize, of course, that I could be wrong. However, I sincerely believe that this basic reform could materially improve the effectiveness and value of the FCC to the public and to the industries under FCC regulation. On some appropriate occasion, I will spell out these views in detail.

Your annual meeting is a fitting occasion to pay tribute to many of you active in the day-to-day work of the National Association of Broadcasters, above all, to Governor Collins, a leader you, too, have grown to recognize as a man of principle, of conscience, and of wisdom. If you've seen the Broadway play, you will know what I mean when I say he is your man of all seasons. He commands respect and confidence of the public and your government. He is a man to heed, to follow, and to treasure.

There have been improvements in broadcasting. Many of you are doing a better job of serving the public than was the case several years ago. Still, in television entertainment, too many of you still take too literally the advice of H. L. Mencken when he said, "Nobody ever went broke underestimating the intelligence of the American people." With Hubbell Robinson, I hold that far too often, television entertainment reduces its audience to the ranks of the emotionally and mentally underprivileged. I hope the congressional examination of the ratings systems may encourage you to put more trust in the people, and more faith in your own judgments of the public's capacity to respond to the best that is in you.

In the area of informational programing, there are many reasons to be proud. A comparison of today's television schedules with those of 3 years ago will indicate there is now slightly more than three times as much informational programing in evening hours. And much of it is done with skill and courage.

You are helping the Nation to know more about the Supreme Court, about juvenile delinquency, about mental illness, about communism, about education, and about ourselves. You are effectively carrying on the good fight to win access for broadcasting to more public proceedings so that it can enlarge its informational service to the public. I salute your efforts, and I will continue to help to the best of my ability.

I have been urging you to see if there was not more room on television to teach, to inform, to stretch, to enlarge the capacities of our children. You have found a bit more room for some exceptional programs. Some of you may ask now in the words of the familiar political slogan, "Had enough?" The answer is positively "No." Nothing is enough, nothing is too good for the children who spend 70 million hours a day with you. You're beginning to demonstrate what television can do, but it is only a beginning. In the last year a first-rate study of television for children was completed by the Foundation for Character Education in Boston. To quote from it: "Knowing * * * about children, a writer who can resolve a plot only by killing the villain is incompetent; a producer who employs violence and brutality to attract an audience is unscrupulous; a network which encourages such material, even by default, is irresponsible; and a sponsor which accepts such said sadism if it produces sales is unethical."

Every American parent trusts you to continue your improvement. You are not merely babysitting electronically. You are molding, by the hand and the heart and the mind, America's future.

Finally, ladies and gentlemen, you chose a hard life when you chose broadcasting. You volunteered for public regulation and public pressure. In return, the people have placed in your hands and hearts the greatest gift possible in a free country, the extraordinary privilege of using the public airwaves to the exclusion of others who would welcome, and indeed have fought for, that privilege. Under our broadcasting system, as I have repeated so often, your Government does not decide what goes on the air. Acting as trustees for all of us, you private citizens make the decisions. We will continute to prod your consciences, to goad your ideals, to disturb your sleep. For as Ed Murrow once said of television: "This instrument can teach, it can illuminate; yes, and it can even inspire. But it can do so only to the extent that humans are determined to use it to those ends. Otherwise, it is merely lights and wires in a box."

It is your responsibility to make certain that broadcasting is more than lights and wires in a box. As you meet that responsibility, you will remember to provide more news and public affairs programs where ideas are rubbed against other ideas into the friction of controversy. On such informational programs may rest the strengthening of an enlightened electorate, critical to the survival of freedom. But you will also remember that you need to do more than feed our minds. Broadcasting must also nourish our spirit. We need entertainment which helps us to grow in compassion and understanding.

Certainly, make us laugh, but also help up comprehend. Of course, sing us to sleep, but also awaken us to the awesome dangers of our time. Surely, divert us with mysteries, but also help us unlock the mysteries of our universe.

Above all, heed the wisdom of Judge Learned Hand who once penetrated the heart of the meaning of liberty when he wrote: "By enlightenment men gain insight into their own being, and that is what frees them."

NATIONAL COMMITTEE FOR SUPPORT OF THE PUBLIC SCHOOLS

Mr. MORSE. Mr. President, as I have indicated upon earlier occasions it is my belief that the helpful background material contained in the publication of the National Committee for Support of the Public Schools entitled "Changing Demands on Education and Their Fiscal Implications" is worthy of serious consideration by every Member of this great body.

Carrying out my objective I, therefore, ask unanimous consent that the chapters entitled "School Dropouts—A Major Threat," "Scope and Quality of Education," "Counting the Cost," and "Fiscal Implications" be printed at this point in my remarks.

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

CHANGING DEMANDS ON EDUCATION AND THEIR FISCAL IMPLICATIONS

VIII. SCHOOL DROPOUTS—A MAJOR THREAT

The amount of schooling of different individuals varies enormously. Some children do not continue in school even to the fifth grade. In succeeding grades, the attrition is higher than most people realize.

According to the U.S. Office of Education, the high school graduating class of 1954 contained only 553 of each 1,000 pupils who had reached the fifth grade 7 years earlier.

Just how long each child should continue in school is a matter of opinion. There is wide agreement, however, that the many pupils who drop out of school at 16, or at whatever earlier age the law or circumstances permit, constitute a major problem. One study concludes that school dropouts create an explosive situation and are a serious threat to our society.

School dropout rate

For example, the number of high school graduates in 1962, as a percent of eighth grade enrollment in 1957–58, varied from 92.3 percent in Wisconsin to 51.8 percent in Georgia. The median for 50 States and the District of Columbia was 70.6 percent.[1] (See

[1] National Education Association, research division. "Rankings of the States, 1963." Research report 1963–R1. Washington, D.C.: the association, 1963, table 47.

table II for data on all States.) The average dropout rate between eighth grade and high school graduation is approximately 32 percent.

It should not be assumed that these 32 percent who quit school in the 9th, 10th, 11th, or 12th grades are incapable of learning. Many are the victims of inadequate schooling in one form or another.

Age of school dropouts

The greatest percentage of withdrawal occurs at about the age when attendance is no longer compulsory, which is 16 years in most States. In October of 1959, 929,000, or 17.1 percent of youths aged 16 and 17 years were not enrolled in schools.[2]

Grade reached by school dropouts

Less than 60 percent of the boys and girls who reach the fifth grade stay in school through high school. Out of every three reaching the ninth grade, one fails to get a high school diploma.[3]

The first major drop occurs between the 9th and 10th grades when many pupils are making the transition from junior to senior high school. * * * Another significant drop occurs between the 10th and 11th grades. Many of these pupils have obviously tried the secondary school and found it wanting for their needs.[4]

Current trends indicate that about 7.5 million of the young people entering the labor force during the 1960's will not have completed high school, and that 2.5 million will not have completed even the eighth grade.[5]

Reasons for dropping out of school

According to the U.S. Department of Labor, Bureau of Labor Statistics, pupils who drop out from the 8th, 9th, and 10th grades most often do so for reasons closely related to their school experiences, such as grade retardation, academic difficulties, and failure to participate in pupil activities. Dropouts from the later grades, however, are chiefly accounted for by other well-defined reasons such as marriage, or the need to work.[6]

TABLE II.—*1962 high school graduates as percent of 1957–58 8th-grade enrollment*

	Percent
1. Wisconsin	92.3
2. Minnesota	88.2
3. California	86.4
4. Nebraska	84.8
5. Illinois	84.5
6. Washington	84.2
7. Hawaii	80.6
8. New Jersey	78.8
9. Iowa	78.6
10. Michigan	78.4
11. Kansas	78.1
12. South Dakota	78.1
13. Pennsylvania	78.0
14. Oregon	77.9
15. Utah	77.2
16. North Dakota	76.8

TABLE II.—*1962 high school graduates as percent of 1957–58 8th-grade enrollment*—Continued

	Percent
17. Indiana	74.1
18. New York	74.1
19. Montana	73.3
20. Rhode Island	73.3
21. Connecticut	73.1
22. Wyoming	73.1
23. Missouri	73.0
24. Colorado	72.9
25. Idaho	72.5
26. Ohio	72.4
27. Delaware	72.0
28. Arizona	71.1
29. Alaska	70.1
30. New Hampshire	69.3
31. Massachusetts	68.2
32. Oklahoma	67.9
33. Maryland	67.5
34. Nevada	63.7
35. Florida	62.9
36. New Mexico	62.2
37. Maine	61.0
38. Texas	60.6
39. Arkansas	57.8
40. Louisiana	57.8
41. Mississippi	57.8
42. North Carolina	57.4
43. Vermont	56.4
44. West Virginia	55.5
45. Tennessee	55.1
46. Alabama	55.0
47. South Carolina	54.2
48. Kentucky	52.6
49. Virginia	51.9
50. Georgia	51.8
50 States and District of Columbia	70.6

Source: National Education Association, Research Division. Rankings of the States, 1963. Research Report 1963–R1. Washington, D.C.: the Association, 1963. Table 47.

Lack of guidance counselors and courses of study to meet the widely varying capacities and goals of high school pupils today are among the major factors causing pupils to quit school. Parental and community attitudes are also influential. After visiting public schools in "two totally different neighborhoods," Conant concludes:

One lesson to be drawn from visiting and contrasting a well-to-do suburb and a slum is all important for understanding American public education. This lesson is that to a considerable degree what a school should do and can do is determined by the status and ambitions of the families being served.[7]

Children of migrant workers

It is estimated that 400,000 migrant workers, accompanied by more than 100,000 children, travel from community to community and from State to State each year in search of agricultural employment.

Educationally, these children are the most deprived group in the Nation. Frequent moves force them to fall further and further behind in their studies. When they drop out of school for good, their average achievement is below the fourth grade level.[8] A few States are attempting to deal with this problem, but it is an extremely difficult one.

Characteristics of school dropouts

The National Education Association project on school dropouts is studying intensively the characteristics of school dropouts.[9] The following are some of the findings:

1. The average dropout is not uneducable. He does tend to score lower on IQ tests than his inschool counterpart, but a nationwide study conducted by the U.S. Department of Labor showed that 70 percent of the dropouts surveyed had registered IQ scores above 90, clearly in the educable group. An intensive 6-year study in the State of New York revealed that 13 percent of the dropouts had IQ scores above 110.[10] This rating should permit high school graduation and some post-high-school training.

2. The average dropout is at least 2 years retarded in reading ability by the time he quits school. Reading remains the fundamental educational skill; without it no student can perform adequately in school. The consequences of retardation in reading are obvious: dropouts fail 3 times as many courses as stayins, and 9 of every 10 dropouts have been retained in some grade at least 1 extra year.

3. The majority of dropouts are from lower socioeconomic families. They often come from families where the father is missing, where cultural background and horizons are limited, where education is viewed with indifference, distrust, or open resentment. Any redemptive or preventive effort of the school will have to take account of the student's total environment and will depend heavily on the school's staff of guidance counselors and school-community coordinators.

4. There is a high percentage of dropouts among minority groups. This fact was detailed as follows at the 1961 Conference on Unemployed, Out-of-School Youth in Urban Areas: Estimates of the number of Mexican-American youth who leave school before getting to high school range as high as 50 percent in the major cities.

Today, two-thirds of all Negroes live in urban areas, one-third in urban areas outside the South.[11]

In a slum section composed almost entirely of Negroes in one of our largest cities the following situation was found. A total of 59 percent of the male youth between the ages of 16 and 21 were out of school and unemployed. They were roaming the streets. Of the boys who graduated from high school, 48 percent were unemployed in contrast to 63 percent of the boys who had dropped out of school.

An even worse state of affairs was found in another special study in a different city. In a slum area of 125,000 people, mostly Negroes, a sampling of the youth population shows that roughly 70 percent of the boys and girls ages 16 to 21 are out-of-school and unemployed.[12]

The problem of unemployed youth in the large cities is in no small part a Negro problem. We do not facilitate its solution by trying to find phrases to hide this fact.[13]

5. Dropouts are not entirely from minority groups. Of the four special surveys made for the Conference on Unemployed, Out-of-School Youth in Urban Areas, two dealt with racially mixed urban school districts where the majority of the dropouts interviewed were white. Like the minority group dropouts, however, most of these white boys and girls belonged to lower income families who had recently arrived in the city. Theirs were families who had left subsistence farms, families said to be among the Nation's least educated, with a lack of motivation no less deadening than that of darker skinned families from depressed areas. But the problem of school dropouts is not confined to the big cities. It exists in small towns. It is particularly acute in rural areas, and the

[2] U.S. Department of Commerce, Bureau of the Census. School Enrollment: October 1959. Current Population Reports, Population Characteristics, Series P–20, No. 101. Washington, D.C.: Government Printing Office, 1960, p. 8.

[3] Lambert, Sam M., director of research, National Education Association. Testimony before U.S. 87th Cong., 1st sess., House of Representatives, Committee on Education, and Labor, March 1961, p. 173.

[4] National Education Association, Research Division and Department of Classroom Teachers. High School Dropout. Discussion Pamphlet No. 3. Washington, D.C.: the association, 1959, p. 6.

[5] U.S. Department of Labor, Bureau of Labor Statistics. From School to Work. Washington, D.C.: Government Printing Office, 1960, p. 1.

[6] National Education Association, Research Division and Department of Classroom Teachers, op. cit., p. 7.

[7] Conant, James B. Slums and Suburbs: "A Commentary on Schools in Metropolitan Areas," New York: McGraw-Hill Book Co., 1961, p. 1.

[8] Janson, Donald. "Migrant Pupils Miss Schooling." New York Times, July 22, 1962. Copyright by the New York Times. Reprinted by permission.

[9] Schreiber, Daniel. "School Dropouts," NEA Journal 51: 51–52; May 1962.

[10] Ibid., p. 52.

[11] National Committee for Children and Youth. Social Dynamite. Report of the Conference on Unemployed, Out-of-School Youth in Urban Areas. Washington, D.C.: the Committee, 1961, p. 16.

[12] Ibid., p. 26.

[13] Ibid., p. 32.

problems of the rural areas and the big cities are closely related.[14]

Statewide study of dropouts

A statewide study of dropouts by the Illinois Office of Public Instruction revealed the following:

"Approximately 54 percent of the students who took more than 8 years to finish elementary school became high school dropouts.

"Only 2 percent of the students who took college preparatory courses became dropouts, while 38 percent of those who studied general curriculum left high school before graduating.

"About 60 percent of the students who were absent more than 25 days out of the normal 185-day school year became dropouts.

"Over 30 percent of the dropouts occurred before the end of the freshman year; another 30 percent occurred during the sophomore year.

"High school graduates held more part-time jobs than dropouts held.

"Dropouts had more frequent access to family cars and owned more cars than did those who graduated.

"Students who finished high school engaged in more extracurricular activities than did dropouts.

"A large percentage of dropouts came from broken homes." [15]

What happens to school dropouts?

A number of studies have been made to discover what happens to young people who drop out of school. Among the more important findings are these:

1. A large percentage is unemployed. The U.S. Department of Labor in October 1960 surveyed the employment status of June 1960 graduates and pregraduation dropouts. The survey found that—"about three-fourths of the male dropouts, but almost nine-tenths of the high school graduates (those not enrolled in college), were working. About two-thirds of the unmarried female dropouts, but three-fourths of the graduates, were working. Futhermore, the unemployed dropouts had been unemployed for longer periods than the unemployed graduates.[16]

Conant stated that, "in the slums of the largest cities * * * the great need is for reduction of unemployment of male youth under 21.[17]

"The present (1960) unemployment rate nationwide is roughly 7 percent for all age brackets, but unemployment among youth under 20 years of age is about 20 percent, or nearly three times greater than the nationwide rate for all workers." [18]

A survey made in New York City in the summer of 1962 showed that 45,000 youths needed work but were unable to find it. Many of these were Puerto Ricans and Negroes, the groups which have the most difficulty in finding jobs. Many are school dropouts, and their lack of education and training further hampers them.

Ewan Clague, Director of the Bureau of Labor Statistics, stated at the Conference on Unemployed, Out-of-School Youth in Urban Areas that 300,000 boys and 115,000 girls between the ages 16 and 20 reported themselves out of school looking for work in October 1960.

2. Most school dropouts when employed work at unskilled jobs. Unskilled and immature, the dropout finds himself abandoned in a labor market where he has little to offer.

"Casual jobs and work requiring little in the way of skills training typify the employment activity of most 14- to 17-year-olds. Job opportunities for youth in this age group are concentrated mainly in the trade and service industries and in agriculture." [19]

The jobs available to school dropouts are usually of the lowest order. Frequently they offer irregular employment and are the least open to advancement. Also, employers are loathe to employ and to provide on-the-job training to youths in the 16-to-21 age group, since they may be subject to call for military service.

"Two-thirds of the Nation's force of service workers and operatives and laborers are former dropouts. Two-thirds of the unemployed men and women in the United States possess less than a high school education." [20]

3. Dropouts face keen competition. Because of the rapid rise in births in the 1940's and 1950's, the population reaching age 18 will shortly increase especially fast—from 2.6 million in 1960 to 3.8 million in 1965, up nearly 50 percent in only 5 years. The 1965 rate will continue through 1970. Because of this increase, the number of new workers entering the labor force will mount steadily. Altogether, 26 million young people will enter the labor force during the 1960's, almost 40 percent more than during the 1950's.[21]

The estimated 7.5 million youths who, according to recent experience, will drop out of school during the 1960's may glut the labor market, already overcrowded with unskilled workers, at a time when the number of unskilled occupations is declining.

4. The life earnings of school dropouts are low. During his lifetime, the average boy who drops out of school before high school graduation will earn much less than the average high school graduate. "The typical male high school graduate can be expected to earn over his lifetime (from age 25 to death) $72,000 more than the typical male elementary school graduate." [22]

School dropouts and delinquency

Exact numbers and percents of school dropouts who become delinquent are not known. It is claimed that they are relatively large. Out-of-school, unemployed youth are more apt to become delinquent. A youngster out of school and out of work is a potential source of trouble to himself and to the community. A youth who drops out of school and cannot find a job, which gives him a sense of belonging to the community and of purpose in life, is apt to feel at odds with society and is more likely to become delinquent.

Careful studies of juvenile delinquency show that this problem is not confined to communities and families of low socioeconomic status. It occurs in favored communities and families, although at a lower rate of incidence. Nor is juvenile delinquency a peculiar problem of the United States. It is worldwide. These facts call for fundamental study of this disturbing problem and incisive action by responsible agencies, including the schools.

CONCLUSIONS

1. Today, for most youths under 18, work should be secondary to getting education and training appropriate to their abilities and needs.

2. Lack of basic education seriously complicates the retraining of the long-term unemployed.

3. A substantial percentage on relief rolls are those who lose their jobs and lack the training for other employment.

4. Out-of-school, unemployed youths commit a disproportionately high percentage of juvenile crimes.

5. Full development of each youth's talents and abilities is the key to meeting future manpower needs. To assure such development, youths must have protection and guidance, jobs that provide productive experience, and, perhaps most important, the kind of education needed in our modern, complex, and technically oriented economy.

The above conclusions raise many questions about the adequacy of today's public elementary and secondary schools. Is the guidance program adequate? Is the curriculum or program of studies broad enough to meet the present needs of America's children and youth? Are adequate provisions made for the children of disadvantaged Americans,[23] i.e., parents with low socioeconomic status, language handicaps, lack of vocational skills with resulting unemployment, and little interest in having their children continue in school? Are the quality of teachers and their training and teaching equal to the demands of a rapidly changing society?

The powerful impacts of our dynamic economy upon all Americans hold fundamental implications for public schools. The next section identifies some of the improvements required in these schools if they are to meet changing demands.

IX. SCOPE AND QUALITY OF EDUCATION

Earlier parts of this report list demands that our dynamic society is making on the public schools and that are not being fully met. What changes and improvements in public education are necessary to meet these demands?

Adequate schooling for all

There should be decisive action so that no child will reach adulthood lacking the basic schooling essential for successful living in our complex and changing society. This requires that there be good schools in all communities, not just in some communities. There must be enforcement of school attendance laws. Inadequate schooling should no longer be a major cause of millions of functional illiterates who suffer the disabilities described in section VII of this report and who are the source of some of our most serious social problems.

Quality schools in every community

There should be a stepping up of the quality of instruction throughout the public schools of the United States. The facts of this report urgently demand quality schooling to meet the insistent needs of a technological society which continually requires more and better schooling.

Just what quality schooling is will be left to the vigorous and discordant voices who are now debating this question. Rather, let us look at some of the prerequisites for a quality school.

Quality Teachers

A quality school must have well-prepared teachers. Some schools do not have such teachers. There has been and is a continuing shortage of new teachers—those members of the current class of college seniors who will meet the requirements for the standard certificate in September of each year. The prospective 1962 supply from this source was approximately 106,000, while the estimated demand for all public school needs in September 1962 was 240,000.

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[14] Ibid., pp. 17–18.

[15] Overview, "Late News." Overview 3: 22; August 1962. Copyright 1962, Buttenheim Publishing Corp.

[16] Cooper, Sophia. "Employment of June 1960 High School Graduates." Special Labor Force Report No. 15. Monthly Labor Review 84: 463–70; May 1961.

[17] Conant, op. cit., p. 35.

[18] Conant, James B. "Social Dynamite in Our Cities." Social Dynamite, p. 27.

[19] White House Regional Conferences. Young Workers Under 18. Fact Sheet. Washington, D.C.: the Conferences, 1961.

[20] Schreiber, op. cit.

[21] U.S. Department of Labor, op. cit.

[22] Lambert, op cit., p. 171.

[23] National Education Association and American Association of School Administrators, Educational Policies Commission. Education and the Disadvantaged American, Washington, D.C.: National Education Association, 1962, 39 pp.

The 106,000 was not sufficient even to replace the 125,000 teachers leaving teaching service and the additional 35,000 required by the annual increase in public school population of approximately 1 million. The prospective supply also failed to meet the estimated need for 80,000 additional teachers (a) to relieve overcrowded classes and to eliminate part-time sessions, (b) to provide instruction and services not now provided, and (c) to replace teachers not fully prepared for their assignments.[24]

The conclusion of the study that released the above statistics is the following:

"The increase over the preceding year [in the supply of new teachers] is not proportional to the increased needs; the prospect for substantial relief from the chronic shortage is not in sight." [25]

Several factors account for this chronic shortage. Among them is the fact that only about 83 percent of the prospective new elementary schoolteachers and about 68 percent of the prospective new high school teachers actually seek teaching positions.[26] This is due, in part, to the fact that teachers generally receive lower salaries than are received by those with equal degrees of preparation in other professions.[27]

Accordingly, school officials cannot secure qualified teachers for all classrooms. With such funds as they have, they seek to do so. When enough fully prepared teachers are not available, the best to be found are employed, even though they fall short of what is required for quality schools.

The shortage of teachers is exaggerated by the imbalance between those preparing for elementary and secondary school posts. The most severe shortage by far is at the elementary level, where almost one-half of the new supply of teachers has to be drawn from miscellaneous sources in the general population.

At the secondary level, the problem is one of achieving a better "distribution of the newly produced supply among the teaching fields. In a few fields (such as men's physical education and the social sciences) the concentration is far beyond the possibility of employment as high school teachers." [28] At the same time there is a shortage of teachers of mathematics and physical sciences and of women's physical education and home economics.

Preparation of Teachers

Much energy has been wasted in recent years in debating about which is more important: mastery of subject matter or professional preparation concerning how best to teach it. Both are essential. The issue is one of emphasis and means.

Some would provide teachers with training in the content of the field they are to teach and then place them in classrooms as apprentice teachers or teacher aids. They would postpone or eliminate professional preparation dealing with such matters as child growth and development, the significance of wide differences in individual aptitudes of pupils, and the methods whereby motivation can facilitate learning.

A rounded point of view would seek to provide teachers who know their subject, understand their pupils, and know how best to teach them.

Physical Facilities

There is a shortage of classrooms and other physical facilities required for quality schools, due to rising school enrollments and costs of building construction. The fall 1961 report of the U.S. Office of Education described the situation thus:

"The accumulated shortage of instruction rooms from past years remains high despite the fact that in the last 6 years (1955–56 through 1960–61) an annual average of 69,100 rooms were completed.

"Although 62,700 rooms are scheduled for completion in 1961–62 only a small part of the total can be applied against the reduction of the backlog of 127,000 rooms. This is due to the fact that thousands of rooms will be needed by the fall of 1962 to provide for population shifts, the estimated annual enrollment increase of over a million pupils, and replacements of rooms abandoned during the year for various reasons." [29]

Teachers and Teaching Machines

One of the open questions regarding the number of teachers needed for quality schools concerns the use of various mechanical devices such as teaching machines. Some say that these machines can be used to reduce the pupil-teacher ratio, that is, that teachers are to be replaced to a certain extent by educational television and teaching machines. Others claim that mechanical teaching devices should aid rather than replace teachers. Additional experimentation and research are needed to find answers to major questions about the role of programed instruction.[30]

Curriculums to meet needs of all groups

The public elementary and secondary schools should provide educational opportunities to meet the special needs of all groups in the widely diverse population they now enroll.

Our schools should not merely enroll all children and youths. They should also offer programs which meet the special needs of all groups. The high schools, in particular, have undergone a revolution since the turn of the century. In 1900, they enrolled a small, selected, and relatively homogenous population preparing for the higher walks of life. Now they enroll youths who represent the full range of socioeconomic status, motivation, educability, and occupational destination.

The problem is to devise curricula, types of school organization, and community cooperation that come to grips with current social and educational realities. The difficulties of achieving this transformation will be increased if some of our so-called better informed citizens continue to reveal a shocking ignorance of the social problems with which the modern school is confronted.[31]

Conant, one of the few who has taken the trouble to visit a substantial sampling of the vastly differing 21,000 high schools of the United States, defines the issue thus:

"Without an understanding of the complexities of public education resulting from the diversities of American communities, there can be no productive discussion of the shortcomings of our tax-supported schools." [32]

The immediately following pages pinpoint some of the groups that in all communities should have schooling appropriate to their capacities and life objectives.

Development of the talented

More attention should be given to the early identification and development of talented youth.

Greater effort on a broader scale should be made to identify talented youth in elementary and secondary schools as well as in college and to provide programs commensurate with their abilities. Many talented high school students today are not working to capacity. They are not sufficiently challenged by present courses to develop their talents to the maximum. The result is that too large a percentage of our brightest high school graduates do not enter college, and of those that do, too many leave before graduation.

Studies have shown that due to lack of funds or lack of incentive to attend college, a large fraction of our brightest youth are failing to get the education that would permit them to work at the levels for which they are potentially qualified. It was found that fewer than one-half of the best 25 percent of all high school grauates graduate from college. Only 6 out of 10 of the potentially most promising 5 percent of high school graduates earn college degrees.[33]

A nationwide survey of 1959–60 high school seniors showed that plans for attending college depended, to a large extent, on the following factors:

1. Fathers occupation: Of those whose fathers were white-collar workers, 66 percent were planning to go to college as compared with 37 percent whose fathers were manual or service workers and 34 percent whose fathers were farmworkers.

2. Family income: Of the 1959–60 high school seniors, 68 percent of those whose family income was $7,500 or over planned to go to college as compared with 52 percent of those whose family income was $5,000–$7,499; 40 percent, when it was $3,000–$4,999; and 23 percent when it was under $3,000.

3. Sex: More boys than girls indicated their intention to enroll in college, despite a larger number of girls than boys among high school seniors in 1959–60.[34]

4. Educational status of parents: Parents' education plays a decisive role, according to the U.S. Bureau of the Census:

"The proportion of sons who attended (or completed) college increases dramatically according to the level of schooling completed by their fathers. These proportions ranged from nearly 55 percent of the sons of fathers with a high school diploma (but no college) to 70 percent of the sons of fathers with some college, and 88 percent of the sons of fathers who were college graduates. Fewer than one-fourth of the sons of fathers without a high school diploma has either gradu-

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[24] National Education Association, Research Division. "Teacher Supply and Demand in the Public Schools, 1962." Research Report 1962–R8. Washington, D.C.: the association, 1962, pp. 5, 21.

[25] Ibid., p. 7.

[26] Ibid., p. 5.

[27] National Education Association. "Professional Salaries for Professional Teachers." Washington, D.C.; the association, 1961, p. 8.

[28] National Education Association, Research Division. "Teacher Supply and Demand in the Public Schools. National Education Association Research Bulletin 40: 95; October 1962.

[29] U.S. Department of Health, Education, and Welfare, Office of Education. "Fall 1961 Enrollment, Teachers, and School Housing." Circular No. 676. Washington, D.C.: Government Printing Office, 1962, p. 6.

[30] Cronbach, Lee J. "What Research Says About Programed Instruction," National Education Association Journal 51: 45–47; December 1962.

[31] American Academy of Arts and Sciences. "Report of the Committee of the Teaching Profession." New York: American Council of Learned Societies.

[32] Conant, James B., "The Child, the Parent and the State." Cambridge, Mass.: Harvard University Press, 1959, p. 64.

[33] Wolfle, Dael. "America's Resources of Specialized Talent." Report of the Commission on Human Resources and Advanced Training. New York: Harper & Row, 1954, p. 8.

[34] "Occupational Outlook Quarterly," 6: 11–14; May 1962.

See also U.S. Department of Commerce, Bureau of the Census, and U.S. Department of Agriculture, Economic Research Service. "Educational Status, College Plans, and Occupational Status of Farm and Nonfarm Youths." Series Census–ERS P–27, No. 10, Washington, D.C.: Government Printing Office, 1962.

ated from college or had some college attendance." [35]

Of the more than 1 million high school seniors in late 1959 who had no plans to attend college or were undecided, the largest number gave one or more of these reasons: money, home needs, poor grades, and no desire to continue in school.

Each year in the early 1960's, nearly 3 million young people will reach age 18. By 1965, this number will rise sharply to nearly 4 million. If present trends continue, about two-thirds of these young people will graduate from high school, and about one-half of the graduates will enter college.

It is doubtless true that the percentage of talented children correlates with such factors as family income, educational status of parents, and father's occupation. It is also probably true that a considerably larger number of youths qualified for higher education would be discovered among the socioeconomically average and below-average families if a more intensive search were made to find them.

The early identification and development of talented youth have long been a concern of educators. The Educational Policies Commission, for example, in its 1944 and 1948 reports urged that special attention be given to youth with superior intellectual capacity and to those who possess special talents.[36]

It highlighted this concern in its 1950 report, "Education of the Gifted":

"The American people must invest a larger portion of their economic resources in the education of individuals of superior talent. Such an increase in investment will result in a disproportionately large return in social dividends." [37]

The time has come when halfway measures to identify and develop talented youth will not suffice. A nationwide effort is called for.

In recent years, the National Science Foundation and other agencies have responded to the call for the full development of gifted youths, but efforts in this direction need to be increased. When considering the cost involved, perhaps heed should be given to this advice: To make money immortal, invest it in men.

Quality schools for average students

Better education for those of average ability is essential. The quality of education provided the great middle group, those of average and of slightly below and above average scholastic ability, should be improved by general education courses, suited to individual and social needs, and opportunities for training in a variety of skilled and technical fields as well as in some semiprofessional occupations.

One of the distinctive features of American public education has been its role in upgrading the occupational status of the labor force of the United States. Generally, the son, with better access to educational opportunity than his father, has qualified for a job requiring higher training and permitting higher earnings. This has both lifted the economic status of the individual worker and supplied the additional trained manpower required by a growing economy.

This highly significant role of American education can be clearly seen as it affects immigrant families. Released from the socioeconomic stratification and class structure of education in Europe, the son and grandson of the immigrant have had opportunity to secure the general and vocational education that permitted them to rise above the lower socioeconomic levels to which their forebears were chained.

There are those who would sharply restrict against mass education. They would limit educational opportunity beyond the junior high school to a selected few. This would be a reversion to a class-structured system of education, formerly characteristic of Europe, but which is now being modified toward a more democratic pattern.

The United States should not turn back educational opportunity. They inveigh the clock in education. Rather, it should continue the policy of making its schools more effective for all, at both the elementary and the secondary school levels. Several States have extended public education through grade 14 by establishing junior or community colleges. These institutions offer opportunity for continued general education and for technical training in accord with the abilities and goals of the students. Many continue in colleges and universities, and others complete their full-time school attendance at the end of grade 14.

Special programs for those of lower ability

A high priority should be the development of effective programs for those below average in scholastic ability and accomplishment.

The most neglected group in the public schools are those students, approximately 30 percent of the total enrollment, who have little aptitude for academic studies or even for courses which lead toward skilled and technical occupations. Eliminated from the lower secondary school grades or earlier, they compose the core of the unemployed and untrained school dropouts described in section VIII of this report.

If society is to deal with these youths intelligently, there must be much exploration of local, State, and National employment needs at the less-than-skilled levels. Employers, labor, and school officials, through cooperative effort, should develop the kinds of training, both in and out of school, that will permit these pupils to become responsible citizens, employed in semiskilled and service jobs.

The operatives and kindred workers group, according to the U.S. Department of Labor, Bureau of Labor Statistics, during the 1957–75 period, is expected to decline from about 19.5 percent to about 17.5 percent of the total employment. Nevertheless, about 3 million workers will be added to the operatives group, and they will still remain the largest occupational group in our labor force.[38] In the service industries, employment will continue to grow faster than in the production industries; in fact, faster than in the labor force as a whole.[39]

Vocational education programs, as well as most education programs, have done little for the youth of low academic aptitude. The schools should accept some responsibility for making these youths competent for employment. This will require that the vocational educator be less selective as to those admitted to some type of occupational training.

Below are excerpts from one proposal concerning the kind of education that should be provided for those of below-average academic ability and achievement:

"Everyone should have an opportunity to prepare for some socially useful occupation at whatever level.

"There is no suitable universally accepted pattern for preparing high school youth for semiskilled, operative, and nonapprenticeable service occupations. As a result, we do not truly practice what we preach concerning the need for universal vocational education.

"We know the make-up of today's and tomorrow's work force, but we have not designed our educational programs according to the great opportunities available.

"A new approach to vocational/industrial education must be explored which might bring together realistic labor force requirements, individual aptitudes and needs, and the tragically high dropout rate of our schools. The compelling purpose of such an approach should be to prepare average and less-than-average pupils for a variety of semiskilled and service jobs that exist in industry.

"Much study and experimentation will be required before a thoroughly satisfactory program can be developed." [40]

All students—the gifted, the average, and the less than average—must be educated and trained to be contributing members of our American democracy. While the need for social integration of America's diverse and mobile population is large, it by no means demands a common curriculum for all. Differentiated curricula can serve both social integration and technical specialization, whereas a common curriculum cannot.

Counseling and guidance services

More extensive counseling and guidance services should be provided for each student. Guidance in the elementary school, as at all other school levels, requires knowing pupils as individuals—not merely as a group studying reading or arithmetic. Adequate counseling and guidance services should include identifying the gifted and planning work commensurate with their abilities; seeing that slow learners have a chance for success and encouraging them to get as much education as they can; discovering the special needs of children from disadvantaged homes; seeing that pupils in the lower 30 percent in ability are not merely marking time but, insofar as possible, are acquiring a basic education and are looking forward to some form of vocational training; and helping pupils who have special problems of educational, social, and emotional adjustment.

This means discovering, in their incipient stages, the causes of such problems as failure in schoolwork, inability to get along with other pupils, and more or less serious delinquency when it occurs. It means cooperation of the pupil, his teachers, and his parents in solving the difficulty. When such problems are ameliorated in elementary

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[35] Ibid., pp. 11–12.

See also U.S. Department of Commerce, Bureau of the Census. "School Enrollment and Education of Young Adults and Their Fathers." Series P–20, No. 110. Washington, D.C.: Government Printing Office, 1960.

[36] National Education Association and American Association of School Administrators, Educational Policies Commission. "Education for All American Youth." Washington, D.C.: National Education Association, 1944, 402 pp.

National Education Association and American Association of School Administrators, Educational Policies Commission. "Education for All American Children." Washington, D.C.: National Educational Association, 1948, 292 pp.

[37] National Education Association and American Association of School Administrators, Educational Policies Commission. "Education of the Gifted." Washington, D.C.: National Education Association, 1950, p. 88.

[38] U.S. Department of Labor, Bureau of Labor Statistics, Division of Manpower and Employment Statistics. "Manpower Needs and Resources of the United States, 1960–75." Preliminary report. Washington, D.C.: Government Printing Office, 1960, p. 17.

[39] Ibid., p. 17a.

[40] Eddy, Max, and Moss, Jerry, Jr. "Out of School and Ready to Work." Overview 3: 42–44; August 1962. Copyright 1962, Buttenheim Publishing Corp.

See also Magnifico, L. X., and Doll, Eugene E. "Out of School and Self-Supporting." Overview 3: 33–34; September 1962. Copyright 1962, Buttenheim Publishing Corp.

See also Goldstein, Herbert. "The Educable Mentally Retarded Child in the Elementary School." What Research Says to the Teacher Series, No. 25. Prepared by the American Educational Research Association in cooperation with the Department of Classroom Teachers. Washington, D.C.: National Education Association, May 1962, 32 pages.

school, they are less apt to become deep seated by the time the pupil reaches junior and senior high school.

Secondary school pupils need help on problems that occur during adolescence. Counselors in all high schools, especially in large comprehensive schools, play a particularly vital role. On the basis of previous academic accomplishment in the lower schools, tests of mental ability, statements of former teachers, and the student's interests and future plans, in consultation with his parents when possible, the student is helped to select his high school courses. His progress is checked at regular intervals, and adjustments are made, designed to prevent failure and dropping out of school.

High school and junior college students and college freshmen and sophomores are at critical stages in career choices. With little experience and limited backgrounds, they need facts about the occupations they are considering. Bad decisions at this point may result in serious wastes of human talent.

These are the years when the school counselor supplies the student with vocational information. On the basis of his present and past school records, work experience, aptitude tests, information from teachers who know him best, and deep-seated personal interests, the counselor confers with him regarding possible careers—training needed, personal qualities necessary for success, and possible opportunities, financial and otherwise.

With this help, the student is in a better position to understand himself—which is the central purpose of all guidance—to establish personal goals, to meet personal problems, and to tentatively choose a suitable vocation and the college or institution where he can best continue his education.

To aid in this latter choice, the school counselor supplies college catalogs, giving such information as entrance requirements, courses offered, and cost of attendance; he also gives information about major occupational requirements and trends. Counselors should ever be on the alert to discover gifted pupils who because of low socioeconomic status may not be planning to continue their education and to help them to find means to do so. A case-record file of each student and an up-to-date library of college catalogs, studies of occupations, and similar reference materials are among office needs. The counselor must also have the ability to enlist the cooperation of such groups as faculty, parents, management and labor, and social agencies.

The work of the counselor or guidance officer is of critical importance in the lives of many students. This work requires special personal qualities and graduate training.

Size of school and range of offerings

Small high schools should be consolidated to permit the offering of a wider range of courses to meet the needs of all students.

Only about 4,000 of the 21,000 senior high schools in the United States are large enough to provide adequately for a typical student body. One-third of high school seniors are attending high schools that are too small to provide, except at excessive cost, the range of offerings that should be available. Able students do not have a chance to study physics, advanced mathematics, or a third or fourth year of a modern foreign language because these courses are not offered. Nor is it practical for such schools to offer several choices of technical courses for those of lesser ability. A few high schools must remain small. Many can be consolidated, however, under modern conditions of transportation. The movement in this direction needs to be accelerated.[41]

The foregoing pages list some of the basic improvements required in the scope and quality of public education if it is to meet changing and new demands made upon it. The proposed improvements are already being initiated in some of our better developed and better financed schools and school systems. What needs to be done is to lift the scope and quality of education in all schools to the level now found in a few of the best schools and school systems of the United States. Action to this end will require additional expenditure. The next section deals with this problem.

X. COUNTING THE COST

To capitalize the full power of education in developing our human resources will require additional funds. It will cost something to provide schools in every community able to meet the new and changing demands of a technological age. It will cost something to develop curriculums that are effective in capitalizing the widely varying talents of all youths—the gifted, the large group of average ability, and those of low scholastic aptitude. It will cost something to eliminate the inadequate schooling that is in part the cause of continuing illiteracy and the problems originating among youths who are neither in school nor employed. It will cost something to recruit and hold a sufficient number of well-qualified teachers. It will cost something to eliminate the shortage of school buildings and other necessary facilities for a mounting school population.

Money is, therefore, one of the essentials if these and other educational improvements outlined in previous sections are to be achieved.

"Money isn't everything"

In securing adequate support for public schools, opposition is often met in the statement, "Money isn't everything." This is true. But it is also true that money is something, and a very important something in obtaining quality schooling for all.

The issue is not one of the sequence of money and quality. Rather the problem is one of making additional funds count the most in buying the amount and quality of schooling demanded by the United States. The evidence now available indicates that there is substantial correlation between quality of schools and their level of expenditure.

A number of lines of research indicate that higher per pupil expenditure is a major and essential factor in achieving quality education, regardless of one's definition of quality.[42] This appears to be true even among favored school districts, all of which are well above average in financial support. Apparently, adequacy of support as a factor in increasing educational quality has not reached the point of diminishing returns among schools with the highest levels of cost.[43]

Quality and variations in school support

One who has visited schools in the United States financed at the lower levels, as compared with others financed at higher levels, will need no further evidence that money makes an enormous difference in the quality of educational output.

There is abundant evidence on this point. The first study that revealed the full range of expenditures per pupil of school districts in the United States was for the school year 1939 to 1940. It showed that the top-financed school districts were spending 60 times as much per pupil as those with lowest per pupil expenditure.[44] The social liabilities, such as illiteracy, low educational attainment, and low-earning capacity, which accompanied meager expenditures for schools in some school districts, were described to Congress and other groups many times between 1918 and 1962. It was emphasized that substantial increases in funds would be required to correct the situation.

Per pupil average expenditure in 1962 for current expenses ranged from over $500 in three States (New York, New Jersey, and Illinois) to under $250 in three States (South Carolina, Tennessee, and Mississippi). These figures are State averages; they do not reveal the full extent of unequal financial support of public schools within States. Approximately as many children in each State get a better or less well-financed schooling than these averages indicate.

Some progress has been made in closing the enormous gap in financial support between lower and higher expenditure school districts, but there are still grossly indefensible differences. These are associated with wide ranges in educational opportunity and attainment.

The States with low levels of financial support have low levels of educational attainment, high illiteracy, high rejections for military service, and other socioeconomic liabilities associated with inadequate schooling. For example, in 1960 the rejections in different States in preinduction and induction examinations for military service, based on mental tests composed largely of educational material, ranged from 4.7 percent to 56.5 percent.[45]

The correlations between levels of financial support and educational status in some States are reduced by heavy migrations from regions with low per pupil expenditure to those with high per pupil expenditure. For example, States such as California, New York, and Illinois, with comparatively well-supported schools, rank near average on such items as percent of population 14 years and older unable to read and write and rejections for military service, because of heavy migrations to these States from regions where low financial support of schools and educational attainment have long existed.

Inequality between slum and suburb

Conant has recently dramatized inequality in educational opportunity from another angle. He has pointed out shocking differences in educational opportunity in different school districts within great metropolitan areas. He concludes: "The contrast in the money spent per pupil in wealthy suburban schools and in slum schools of the large cities challenges the concept of equality of opportunity in American public education.[46]

He lists a series of improvements urgently needed in the schools of great cities, and emphasizes that "more money is needed in slum schools."[47]

The existence of slum school districts in some rural areas, those which provide inadequate or no educational opportunity for children, has been repeatedly pointed out in congressional hearings since World War I. Now Conant points out the tragic inadequacy of the financial support of schools and of the schooling provided many youth in

[41] Conant, op. cit., pp. 36–39, 173–174.

[42] Norton, John K., "Does Better Education Cost More?" Washington, D.C.: Committee on Educational Finance, National Education Association, 1959, pp. 41–44.

[43] Associated Public School Systems, "Does Money Make a Difference?" New York: Institute of Administrative Research, Teachers College, Columbia University, 1958, 16 pp.

[44] Norton, John K., and Lawler, Eugene S., "Unfinished Business in American Education." Washington, D.C.: National Education Association and American Council on Education, 1946, p. 4.

[45] National Education Association, Research Division. "Rankings of the States, 1962." Research Report 1962–R1. Washington, D.C.: the Association, 1962, p. 32.

[46] Conant, James B., "Slums and Suburbs: A Commentary on Schools in Metropolitan Areas," New York: McGraw-Hill Book Co., 1961, pp. 145–46.

[47] Ibid., p. 146.

city slums. He labels the situation prevailing there "social dynamite."

The conditions in rural and in city slums are related. Many residents of festering city slums are migrants from poverty-stricken rural slums. Those who have balked every effort to provide an adequate minimum of financial support for the education of every child regardless of his residence are now having to face the much more difficult and expensive problem of dealing in our great cities with these victims of educational denial.

Changes in agricultural production and other factors are taking away even the meager wages earned by many who formerly lived in rural slum school districts. They and their children are flocking to great metropolitan areas in which their problems are multiplied by conditions they encounter there.

A recent report of the Educational Policies Commission points out that this "large scale migration" fails to improve the situation of the "disadvantaged American." The report summarizes the situation thus:

"Millions of disadvantaged Americans are congregated today in congested sections of the large cities and in the rural areas. It is valid to ask what America means to these millions of people. Certainly it has not been for them a land of equal opportunity. The schools present the best hope for overcoming their cultural handicap. This has been demonstrated repeatedly wherever the efforts of skillful educators and the support of an understanding community have combined to make schools the mighty instruments which only schools can be. If the public fully backs its schools—and only if it does—the time may come when no American is culturally disadvantaged.[48]

There are several reasons why the financial support of public schools is wholly inadequate in most school districts in the United States. One of these is the inflexibility of school expenditures as related to educational need.

Response of expenditures to demands, 1900–1958

There has been a great increase in school expenditure since the turn of the century—from $238 million to an estimated $18 billion in 1962. The significance of this rise can be appraised only when it is weighed against the demands placed upon the schools. In short, in recent years did the typical board of education in the United States have greater or less ability to provide every child in school with the kind of schooling he should have?

This is a highly complex question. It requires that account should be taken of such factors as:

1. The enormous increase in number of public school pupils, especially at the more costly high school and junior college levels.

2. The substantial lengthening of the school year throughout the United States; in some districts summer school is now also provided.

3. The great depreciation in purchasing power of the dollar since 1900.

The foregoing and other factors must be taken into account before financial ability to improve the quality of a given unit of schooling is increased. To provide for increased quality such factors as these must be considered:

1. Increase in the scope of the school program to meet new needs—general education for all and technical and vocational education for many, not merely college preparation for a few; guidance and health services; and other extensions of the school program in response to general need and demand.

2. Increase in the preparation of teachers to teach a wider range of more difficult subjects at a higher level of performance.

3. Increase in teachers' salaries to compensate for longer periods of training, to keep pace with the rapid increase in buying power of other workers, and to meet the mounting competition in the labor market for persons of ability and extended education.

Financial ability

A recent study for the Joint Economic Committee of the 86th Congress sought "to measure the cost of an education unit, so standardized that its variety and scope are held reasonably constant, and expressed in per pupil in average daily attendance terms."[49]

The result of the study was an estimate of daily per pupil expenditure in 1954 dollars. In other words, what was the purchasing power of the expenditure for the schooling of one child for one day expressed in dollars of equivalent purchasing power? The figures are given in table III.

The figures in table III are, according to the study, quite appropriate to indicate the cost of a given bundle of public primary and secondary education in constant terms. The study concludes that "costs [of public schools] in real terms exhibit amazing stability during 1900–58. For the years for which data are available, 1922 was the low year with $1.37 daily expenditure per pupil, and 1913 was the high year with $1.60. Over the 58 years in overall decline of about 3 percent was registered."[50]

It appears that boards of education had less ability to buy first-rate education for each child for every day he was in school in 1958 than they had in 1900.

TABLE III.—*Daily per pupil current expenditure for public primary and secondary education*

[Daily per pupil expenditure in 1954 dollars]

1900	1.48
1902	1.47
1910	1.48
1913	1.60
1920	1.50
1922	1.37
1930	1.43
1932	1.42
1940	1.39
1942	1.49
1946	1.44
1948	1.39
1950	1.40
1952	1.42
1954	1.41
1956	1.45
1958	1.45

Source: Hirsch, Werner Z., "Analysis of Rising Costs of Public Education," U.S. Congress, Joint Economic Committee, Study Papers 4 and 5, Washington, D.C.: Government Printing Office, 1959, p. 34.

Equating expenditures and demands

The congressional study cited above dealt with the income elasticity of public primary and secondary education. Complex estimates in this regard were made on the basis of two concepts. The conclusion was that "no matter which of the two concepts is used, there can be little doubt that the income elasticity of public education is quite low."[51]

"It [income elasticity of public education] is low in comparison to income elasticities of other public services and in particular such consumer amenities as air conditioning, automobiles, golf, speedboats, etc. It is also low compared to what it must be if public education in the United States is to be improved."[52]

This study summarized the significance of its findings as to the income elasticity of expenditures for public schools as follows: "Such low income elasticity of public education must be of deep concern to all those who are convinced that improvements in education are essential if the United States is to remain a leading world power."[53]

Apparently, the financing of public education in the 1960's started from a base of expenditure that allowed little or nothing for improvements in education, essential for economic growth and for other requisites for internal progress and effective leadership in the world scene. What amounts will be required to finance the requisite improvements?

Cost estimates to meet demands

A number of responsible citizens groups have estimated the financial support necessary for the public schools to meet the rising demands being made on them.

Estimates by citizens commissions

In 1954, the finance committee of the National Citizens Commission for the Public Schools (Beardsley Ruml, chairman, formerly head of the Federal Reserve Bank, New York City) noted the need for an unremitting effort to meet the growing deficit in equipment, in school buildings, and in teachers.[54]

The Committee for the White House Conference, sponsored by former President Eisenhower, reported in 1956 as follows: "We recommend that a new look be taken at the entire question of how much money this society should spend on education. In view of the recommendations of this Committee concerning the objectives of education, teachers, and buildings, it seems obvious that within the next decade the dollars spent on education in this Nation should be approximately doubled. Such an increase in expenditure would be an accurate reflection of the importance of education in this society. * * * Good schools are admittedly expensive, but not nearly so expensive in the long run as poor ones."[55]

The special committee dealing with the financing of education at the White House Conference emphasized that the American people want and need not only more schools, but better schools. To meet these needs we must spend more money.[56]

A 1958 estimate of the future cost of education is that of a panel of 15 prominent citizens working under the auspices of the Rockefeller Brothers Fund. The Committee analyzed various factors that place increasing burdens on education. They concluded: "Even allowing for considerably greater efficiency in the use of educational funds, it is likely that 10 years hence our schools and colleges will require at least double their present level of financial support to handle our growing student population. In other words, by 1967 the entire educational effort

[48] National Education Association and American Association of School Administrators, Educational Policies Commission, "Education and the Disadvantaged American," Washington, D.C.: National Education Association, 1962, p. 33.

[49] Hirsch, Werner Z., "Analysis of Rising Costs of Public Education," U.S. Congress, Joint Economic Committee, Study Papers 4 and 5, Washington, D.C.: Government Printing Office, 1959, p. 33.

[50] Ibid., p. 34.

[51] Ibid., p. 38.

[52] Ibid.

[53] Ibid., p. 1.

[54] National Citizens Commission for the Public Schools, Public Education Finance Committee, "Financing Public Education in the Decade Ahead," New York: the Commission, 1954, foreword.

[55] Committee for the White House Conference, "A Report to the President," Washington, D.C.: Government Printing Office, 1956, pp. 6–7.

[56] Ibid, p. 51.

is likely to call for expenditures on the order of $30 billion, measured in today's prices." [57]

The foregoing estimate seems conservative, since the U.S. Department of Health, Education, and Welfare estimated in August 1962 that total expenditures for education (public, private; elementary, secondary, and higher) would be $25.2 billion in 1962.[58]

Conant refers to various measures of the deficits of current expenditures per pupil. One calculation reports a deficit between educational needs and actual expenditures for 1958–59 of $8.2 billion.[59]

Another study under the auspices of the Committee for Economic Development comes to this conclusion: "The public schools have not, thus far, been engulfed by the wave of school-age children. The resources going into public education have, in fact, been increasing somewhat faster than enrollments, although clearly less than is necessary to meet widespread desire for excellence." [60]

The foregoing study stated: "We estimate that if resources per pupil were held constant, the cost of public schools, with prices in the private economy stable, would rise 31 percent from 1958–59 to 1964–65. From 1958–59 to 1969–70 the increase would be 47 percent." [61]

The conclusions of the Committee for Economic Development were not accepted by all members. William Benton, in dissent, stated:

"I feel strongly that the recommendations in this report do not match the national emergency. But I commend the C.E.D. for a report on education more courageous and forthright than any issued by an organization representing the business community. The statement is to be applauded for recognizing the acute crisis in education." [62]

Recently an estimate was made of the cost of implementing the proposals of the Commission on National Goals appointed by former President Eisenhower.[63] Education was one of the areas considered. It was estimated that an increase of $13 billion per year in public expenditures for education would be necessary to finance the higher goals set for education.[64] This estimate was based on an improvement factor in financial support per year of just under 5 percent to achieve the desired standards.

Estimates by National Education Association

The most recent study of needed current expenditures for public schools to provide for quality education was made by the National Education Association and estimates a cost (in 1959–60 prices) of $33.6 billion in 1969–70, as compared with $12.3 billion in 1959–60.[65] The basis of this estimate is summarized as follows: This cost projection sought to estimate the price of quality education in 1969–70 under the assumptions of near maximum enrollment in kindergarten through high school, of a professional staff of adequate size, and paid at the national market rate of other professional workers with equivalent training and experience.

A number of statements have given considered views concerning future responsibilities and financial needs of education. One such statement was made by Walter Lippmann, who was a member of the National Citizens Commission for the Public Schools. He asked in 1954:

"Can it be denied that the educational effort is inadequate? I do not mean that we are doing a little too little. I mean that we are doing much too little.

"We have to do in the educational system something very like what we have done in the Military Establishment during the past 15 years. * * * We must measure our educational effort as we do our military effort. That is to say, we must measure it not by what it would be easy and convenient to do, but by what it is necessary to do in order that the Nation may survive and flourish." [66]

The panel of prominent citizens referred to earlier reached this general conclusion concerning what it would take to achieve excellence in education:

"It will not be enough to meet the problem grudgingly or with a little more money. The Nation's need for good education is immediate, and good education is expensive. That is a fact which the American people have never been quite prepared to face.

"Perhaps the greatest problem facing American education is the widely held view that all we require are a few more teachers, a few more buildings, a little more money. Such an approach will be disastrous. We are moving into the most demanding era in our history. An educational system grudgingly and tardily patched to meet the needs of the moment will be perpetually out of date. We must build for the future in education as daringly and aggressively as we have built other aspects of our national life in the past." [67]

Ability to finance quality schools

Whether one accepts the lower or the higher estimates of future public school needs and costs, they involve amounts that will not be easy to raise. Success in financing whatever level of support is decided upon for public education will depend on two major factors that are closely related: The first is the understanding and attitude of the people toward public education. The second factor is the means which the people adopt in raising the revenues for school support and for its equitable distribution among the public school systems of the United States. The next section of this report deals with these two matters.

XI. FISCAL IMPLICATIONS

Basic to adequate financing of public schools in the United States is acceptance of the fact that such support is an investment that brings economic as well as other returns to our society.

Ability to finance public education

One need not credit a high percentage of the income of our affluent society to the effects of education to rate this public service as a productive investment. The gross national product of the United States, according to the latest available estimate for the middle of 1962, had reached $552 billion.[68] In the light of recent economic research it would seem a low estimate to credit 10 percent of this figure, or $52 billion, to the economic effects of education. Less than one-half of this figure, or $25 billion, is being expended this year by educational institutions, from kindergarten through university, both public and private. Total expenditures for public elementary and secondary schools in 1961–62 were $18 billion—for current expenses and for school building construction and other capital outlays.

There can be no question of our economic ability, whether considered from the view of our unequaled opulence or of the significance of education as a factor in production, to pay for the amount and quality of public education necessary to meet our needs.

The Issue of Choice

The issue is one of choice. If we choose to give public education reasonably high priority among our public and private expenditures, then no child need suffer the consequences of inadequate schooling, nor will the Nation as a whole lack development of its human resources because of insufficient investment in education.

The choices involved in this process will often not be easy. Human capacity for consumption is almost limitless. The mechanisms that have been developed to increase the desire for public and private expenditure are both pervasive and powerful. Even our fabulously productive economy is not able to fulfill every fleeting desire for more and more goods and services.

But assuming that we place expenditure for public education above some of our private luxuries and take due account of its importance in budgeting public expenditure, there are still difficulties to be overcome.

Removal of fiscal obstacles

There has grown up a series of obstacles that frequently balk people's desire to pay for education. These have accumulated over the years due to (a) inaction in the face of changing conditions and (b) ill-considered action intended to keep public expenditures for schools at a scarcity level.

Local Blocks

A number of blocks to action at the local level are of especial fiscal significance since 56 percent of the cost of public schools is raised in the locality.

Most local school money comes from a tax on property. This has been a mainstay of public school support and should continue to pay a just share of school costs in the future. It is well suited for local use. It is important as a fiscal factor in continuing substantial control of schools in the locality.

However, the local property tax has its limitations as a principal source of school revenue. Some States place unduly restrictive limits on local property-taxing powers. These restrict the amount that a board of education and the people may raise from this source. The upper tax limit placed on local property may be reasonable, but this is often lowered, in effect, by assessment of property far below its real value. A tax limit of 15 mills on full value of property, when property assessments are dropped to one-third full value, is only 5 mills.

In some States there is excessive exemption of property from taxation. This may place an undue share of the cost of public education on taxable property. Also, in many localities inequalities in assessment of

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[57] Rockefeller Brothers Fund, "The Pursuit of Excellence—Education and the Future of America," panel report V of the special studies project, Garden City, N.Y.: Doubleday & Co., 1958, p. 34.

[58] The estimates of the Rockefeller Brothers Fund and those of the U.S. Department of Health, Education, and Welfare are only approximately comparable in scope of educational activities included.

[59] Conant, James B., "The Child, the Parent and the State," Cambridge, Mass.: Harvard University Press, 1959, p. 183.

[60] Committee for Economic Development, Research and Policy Committee, "Paying for Better Schools," New York: Committee for Economic Development, 1959, p. 14.

[61] Ibid., p. 20.

[62] Ibid., p. 6.

[63] President's Commission on National Goals, "Goals for Americans," Englewood Cliffs, N.J.: Prentice-Hall, 1960, 372 pages.

[64] Universities National Bureau, Committee for Economic Research, "Public Finances: Needs, Sources, and Utilization," Report of the National Bureau of Economic Research, Princeton, N.J.: Princeton University Press, 1961, 512 pages.

See also Hazard, Leland, "Can We Afford Our National Goals?" Harvard Business Review 40: 10; May–June 1962.

[65] National Education Association, special project on school finance, "Financing the Public Schools, 1960–70." Washington, D.C.: the association, 1962, p. 133.

[66] Lippmann, Walter, "Education for Leadership," "Citizens and Their Schools," New York: National Citizens Commission for the Public Schools, 1954, pp. 24–25.

[67] Rockefeller Bros. Fund, op. cit., p. 33.

[68] Federal Reserve System, Board of Governors, Federal Reserve Bulletin, Washington, D.C.; Government Printing Office, October 1962, p. 1356.

property are rife. Different types of property may be assessed at widely differing rates, even though uniform assessment is required by State law. Thus, resistance to taxation is enhanced by feelings of injustice.

Property valuations per pupil in local school districts vary greatly—in some States as much as 100 to 1. Some localities can provide substantial local revenue on nominal tax rates. Others could not provide such revenue even if they levied confiscatory rates on property. The result in the latter districts may be denial of adequate schooling for some if not all children.

Local Tax Reform

Reform of the local tax picture as it concerns public schools lies in such actions as correction of arbitrary limits on rates of property taxation, assessment of property at full value, avoidance of excessive exemption of property from taxation, and recognition that the financial support of schools cannot rest solely upon taxes on property. Nor can other forms of local taxation do the job, even when schools are allocated revenue from these new sources. Realization of this fact accounts for recent increased State action in financing public schools.

State Action

This action has taken a number of directions. One of the essential State actions is to correct, by appropriate State legislation, defects in the structure of local school finance such as those identified above.

Substantial amounts raised through State taxation are being allocated to the localities for school support. These State funds are raised by a broadening of the sources of tax revenue to include such State taxes as those on sales and gross receipts, individual and corporation net incomes, motor vehicle fuel and registration fees, and such various miscellaneous taxes as those on tobacco and alcoholic beverages.[69]

Currently, 40 percent of public elementary and secondary school revenue comes from the State level of government. This percentage varies widely, from as much as 81 percent in Delaware to 6 percent in New Hampshire.

State funds for public school support are distributed to the localities on several bases. Some State money is usually distributed on a flat grant basis—so much per pupil in daily attendance. Additional funds are allocated on an equalization basis, that is, the State sets a foundation or minimum level of cost per pupil to be available in every school district. The State then provides the difference between (a) what can be raised in each locality by an equitable and reasonable tax effort and (b) the amount required to finance the prescribed State minimum. Localities are permitted and encouraged to raise more than is required to receive State funds.

Bases of State Action

State action in providing public school support is based on a number of considerations: First, State constitutions make the maintenance of public schools that are open to all a responsibility of the State legislature. Second, educational opportunity is the right of every child. Third, education of all children is more than a matter of local concern. Mobility of population quickly spreads the effects of good schools as well as of poor schools. A State cannot afford to have the quality of its human capital diluted by lack of financial ability or willingness to maintain effective schools. Fourth, since communities differ so widely in ability to finance schools, State support is essential if gross inequality in the financing of public schools and inequitable tax rates, in different school districts, are to be prevented.

Limitations of the States

The State level of government has an indispensable role to play in financing public schools. However, the States have met their responsibility for providing adequate schooling for all with varying effectiveness. Several factors are responsible.

The States differ markedly in taxable capacity. This has resulted in a wide range in average expenditure per pupil in public elementary and secondary schools. In 1961–62 this average varied from $220 per pupil in the State of lowest expenditure to $615 in the State of highest expenditure. This latter average figure is much below that of well-financed schools. Also, an average expenditure hides the extremes in financial support of schools in a State, and these are usually wide. Furthermore, average expenditure per pupil in attendance takes no account of those not in attendance. Irregular attendance and early elimination from school account for much of the functional illiteracy and inadequate schooling described earlier in this report.

Federal Tax Collections

Two developments at the Federal level have had heavy impacts on the financing of public education. First, during this century, Federal taxes have risen from a minor to a major percentage of total taxes—Federal, State, and local (see figure 4). The rapid rise in Federal tax collections has increased the problem of the schools in securing sufficient financial support from the State, and especially from the locality where more than one-half of school money is raised.

Second, the impact on local and State support of public education of the rapid rise in Federal tax collections has been compounded by discrimination against the schools by the Federal Government in the allocation of funds to the States.

FIG. IV.—*Total tax revenue and percent collected by local, State, Federal Governments, 1902–60*

[Millions of dollars]

	Percent
1902, $1,372:	
Local	51.3
State	11.3
Federal	37.4
1922, $7,387:	
Local	45.5
State	12.8
Federal	45.7
1932, $7,977:	
Local	53.6
State	23.7
Federal	22.7
1942, $20,793:	
Local	22.0
State	19.0
Federal	59.0
1952, $79,066:	
Local	12.0
State	12.0
Federal	76.0
1956, $91,593:	
Local	14.2
State	14.6
Federal	71.2
1960, $113,120:	
Local	16.0
State	16.0
Federal	68.0

Sources: For tax revenue, 1902–56: U.S. Department of Commerce, Bureau of the Census, "Historical Statistics of the United States, Colonial Times to 1957," Washington, D.C.: Government Printing Office, 1960, p. 722. For tax revenues, 1960: U.S. Department of Commerce, Bureau of the Census, "Statistical Abstract of the United States, 1962," Washington, D.C.: Government Printing Office, 1962, p. 415.

Federal grants to the States for such undertakings as highway construction, housing, hospitals, relief of unemployment, and other forms of relief have been greatly increased. These Federal allocations have usually required matching appropriations by the State. This practice, regardless of merits in itself, influences the States to match the Federal allocations for the services aided.

The public schools have received comparatively small grants from the Federal Government. It has aided a scattering of special educational undertakings in the States, but Federal revenues are a small and decreasing factor in financing public schools. School revenue derived from Federal sources reached a peak of 4.6 percent of total school revenue in 1955–56 and declined to 3.7 percent in 1961–62.

One of the Federal allocations is for school support in "federally affected areas," that is, localities where undertakings of the Federal Government have been responsible for large increases in school attendance and expenditures for school buildings. The provision of $200 million for a few school districts in 1958–59 takes no account of the fact that Federal taxation has profoundly affected the ability of all areas in the United States to finance public schools.

Federal Support of Education

The proposal to provide Federal funds for general support of public education has become a perennial and controversial issue. National aid to education antedated the Constitution of the United States in the form of commitment to a policy of allocating public lands for public schools. In 1862, the Morrill Act provided for the establishment of the land-grant colleges. Other federally financed educational undertakings affecting agriculture are described in an earlier section.

The modern period of Federal interest in education began early in this century and was given great impetus by the low educational status of an alarming percentage of our young men, revealed in the examination of recruits during World War I.

The Federal Government now finances scores of special educational undertakings. These include grants for specific programs, some administered by the States and some by the Federal Government. Federal funds for these educational programs totaled $2.4 billion in 1958–59.[70]

The demand for general financial aid for public education has come up in every Congress for more than a generation. Thus far this demand has not been met. Consideration of such action has been overriden by opposition from various interest groups.

An extensive library of publications dealing with the issue of Federal support of education has accumulated over the years. Examples of some of the more comprehensive works are listed in the footnote.[71]

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[69] U.S. Department of Commerce, Bureau of the Census, "Detail of State Tax Collections in 1962," Washington, D.C.: Government Printing Office, 1962, p. 3.

[70] U.S. Department of Health, Education, and Welfare, Office of Education, "Federal Funds for Education," Washington, D.C.: Government Printing Office. 1961. p. 29.

[71] Norton, John K., "Federal Relations to Education," Encyclopedia of Educational Research (edited by Chester R. Harris), third edition, New York: Macmillan Co., 1960, pp. 522–544.

U.S. 87th Congress, 1st session, House of Representatives, "Federal Aid to Schools: Hearings, Parts I and II," Washington, D.C.: Government Printing Office, 1961.

Suffrin, Sidney C., "Issues in Federal Aid to Education," Syracuse, N.Y.: Syracuse University Press, 1962, 64 pp.

Quattlebaum, Charles A., "Federal Educational Policies, Programs, and Proposals," U.S. 86th Congress, 2d session, House of Representatives Committee on Education and Labor, Washington, D.C.: Government Printing Office, 1960. Part I, 192 pp.; part II, 372 pp.; part III, 234 pp.

Whether public education can be adquately financed without Federal funds to meet the changing and growing demands being made on it is a moot question. That Federal aid for education will continue to be an issue in future sessions of the Congress of the United States appears to be certain.

Today the Federal Government preempts the greater part of tax revenues. It has allocated substantial sums to the States to aid in financing a widening range of public services, yet nothing has been appropriated for the general support of public elementary and secondary schools. Many consider this situation the principal fiscal obstacle to the adequate financing of public education in the United States.

Conant analyzes the situation as follows:

"In the next decade, one of three things seems to me inevitable. Either our State taxing machinery will have to improve drastically in many States, or Congress will have to start large annual appropriations for public schools, or public education in many States will deteriorate or, at best, stand still at the present unsatisfactory level. If education is as vital to our survival in this deeply divided world as I have portrayed it, leaders of opinion throughout the land, to my mind, should be pondering these alternatives." [72]

If it should become the policy of the Federal Government to allocate funds to the States for the general support of the public schools, we have experience to guide us in distributing these funds so as to achieve effective educational results.

Technical procedures have been developed whereby State funds can be distributed to the localities equitably and effectively to provide desired amounts for the education of each child, with a minimum of central control. This experience plus that already gained in the distribution of Federal special aid grants would be applicable to the distribution of Federal funds to the States for the general support of public schools.

DAIRY PRODUCTION

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield 5 minutes to me?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. I thank the Senator from Alabama.

Mr. President, today is a great day for the dairy farmers. It has been a long time since we have been able to obtain any sort of agreement between the representatives of the dairy farmers, the administration, and the members of the Senate Committee on Agriculture and Forestry, but I think today is a milestone in that connection.

Today, the Under Secretary of Agriculture, Mr. Charles S. Murphy, came before our committee and recommended the principle of a bill introduced by the Senator from Michigan [Mr. HART], another bill introduced by me, and a third bill introduced by the Senator from Louisiana [Mr. ELLENDER]. In addition, Mr. Murphy set forth a comprehensive program for the dairy farmers, and I think it is very, very encouraging.

In the first place, it is wholly voluntary; there is no compulsion about it.

Second, there is no cut below the 75 percent of parity which the farmers now receive, although it was feared there might be a cut below that. This is very encouraging.

Third, it will cut the Government costs. I think that all persons who understand dairy legislation realize that the result is sure to be a cut in dairy production, and, therefore, a cut in commodity credit corporation acquisitions.

Fourth—and this is most important in connection with such legislation—it will permit the producer of Class 1 milk in the milkshed area to receive an allotment for his Class 1 milk; and it also will permit producers not in the market area to have access to that fluid market. I think that is absolutely essential.

It is most important to point out that—as I have said—the farm legislation proposed by the Under Secretary of Agriculture, in behalf of the administration, is not mandatory in any sense. Quotas are out; and I think this fact in itself will help reduce the production, because I think many dairy farmers, anticipating future quotas, had been building up their production, in some cases uneconomically, feeling that they would like to have that record for the future. The announcement made today by the Under Secretary of Agriculture should put their fears to rest and should help a great deal.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement by the Under Secretary of Agriculture and the attached table showing what will be the consequences of his proposal.

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

STATEMENT OF CHARLES S. MURPHY, UNDER SECRETARY OF AGRICULTURE, BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY, ON S. 398, S. 900, S. 953, RELATING TO THE 1963 DAIRY PROGRAM, APRIL 4, 1963

Mr. Chairman and members of the committee, I am very happy to have this opportunity to appear before your committee with respect to dairy legislation.

It is clear to all of us that the present dairy situation is unsatisfactory in two respects:

1. The income of dairy farmers is too low, and

2. Too much Government money is going into building up excessive inventories of dairy products.

We believe legislation can be enacted that will improve the present program in both of these respects. We believe the hearings you have held suggest the form this legislation might take. I will comment specifically on some of the provisions of the three bills—S. 398, S. 900, and S. 953—which are pending before your committee and on some of the proposals that have been presented to you in these hearings. First, however, I would like to review the background of the problem.

Over the past 2 years, the volume of surplus dairy products acquired by the Commodity Credit Corporation under the existing dairy price support law has increased very substantially. In 1960, CCC purchases amounted to less than 3 percent of the butterfat in milk marketed by farmers and about 7.7 percent of the nonfat solids.

But during 1962, the CCC acquired 9 percent of the butterfat and 13 percent of the nonfat solids in all of the milk marketed by farmers. Annual CCC expenditures under the dairy price support program, which averaged less than $300 million from the beginning of the program in 1949 through the fiscal year 1960, jumped to approximately $600 million in the fiscal year 1962, and current projections indicate they will remain near, or in excess of, $500 million even with the support level at 75 percent of parity—the minimum level at which we are required to support milk prices.

The most significant factor in the rise in CCC purchases in 1961 was the decline in the consumption of both fluid milk and manufactured dairy products. While per capita consumption of many dairy products has been falling steadily in recent years, total milk consumption has still increased at the rate of about half a billion pounds a year because of our growing population. But in 1961, instead of increasing, total milk consumption declined by about 1.6 billion pounds. Milk production also began to increase late in 1960, but if milk consumption had not declined there would have been little cause for concern over the increase in production. We had anticipated some increase in the amount of surplus, and we were prepared to accelerate our use of dairy products in both foreign and domestic outlets in order to prevent stocks from accumulating. But with consumption at a lower level than expected, the CCC was forced to acquire under the price support program twice as much butter as could be utilized through available disposal outlets. This was the case even though we expanded domestic distribution through the various authorized outlets to a rate almost 50 percent greater than that of the years immediately prior to 1961. We have also offered 200 million pounds of surplus butter for foreign donations, but to date outlets have been found for only 52 million pounds.

Last summer, the amount of butter in storage approached the limit of available freezer capacity. It became necessary to ship butter to locations far removed from the production areas, resulting in additional transportation costs of from 1 to 4 cents per pound. Some butter in storage was also approaching 2 years of age—the maximum length of time butter can be stored without some danger of spoilage. To relieve this situation, 100 million pounds of butter were converted into butter oil for possible foreign distribution. This relieved some of the pressure on freezer space, because butter oil can be held in coolers at above freezing temperatures without deteriorating.

While butter purchases have declined slightly in recent months, acquisitions are still running substantially above distribution levels and adding to the quantities already in storage. The present CCC inventory of butter is about 369 million pounds and will continue to increase. While this quantity is slightly smaller than anticipated earlier, it remains a critical problem. Purchases of butter are still running at an annual rate of 350 million pounds while our distribution programs are using only about 260 million pounds.

I have noted that some observers are taking the decline of milk production during December, January, and February to be an indication that milk supplies will continue to decrease with price supports at only 75 percent of parity. I believe this judgment is a little premature. There is strong reason to believe that the recent decline is largely the result of unusual weather conditions and that production will turn up again with a return of normal weather. Last summer, the entire northeastern quarter of the country was hit by a severe drought. Pasture conditions were very poor, and milk production was down by as much as 3 percent in some of the major dairy States of the Northeast. Since recovering from the drought, however, those States have again started to increase their milk production and in recent months their output has been running as much as 4 to 6 percent above levels of a year ago.

The winter which has just ended was one of the most severe on record, particularly in the Midwest area where temperatures

[72] Conant, James B., "The Child, the Parent, and the State," Cambridge, Mass.: Harvard University Press, 1959, p. 57.

stayed in the below-zero range for weeks at a time. These conditions were reflected in a decline in milk production, but with the coming of spring, it is quite likely that the downtrend in production will reverse in the Midwest as it did in the Northeast.

Over the years, the most important factor affecting milk production statistics has been the rise in production per cow. During the 5 years prior to 1962, milk production per cow increased by 200 or more pounds each year. But in 1962, production per cow increased only 147 pounds. This rate of increase is 26 percent less than in previous years. The only apparent explanation for this smaller increase in productivity is the adverse weather. Assuming normal weather this coming year, it is quite possible that we will again have at least a 200-pound increase in output per cow. With lower livestock prices in prospect in the coming months, it is not likely that the rate at which farmers cull their herds will increase. Therefore, an increase in milk production which would force the CCC to maintain or even increase its current level of purchases is a definite possibility.

It is an extremely difficult task to devise legislation which will solve the problem of dairy surpluses without impairing the income of the dairy farmer. The incomes of dairy farmers are already among the lowest for any form commodity group. In 1962 net annual farm incomes on typical commercial family-operated dairy farms in important producing areas ranged from $3,118 to $6,221. These incomes are lower than the incomes on most other types of commercial family-operated farms. When allowance is made for the large capital investment on these farms by figuring a capital charge at current interest rates, returns to operator and family labor range from $667 to $2,551 per year.

Moreover, dairy farmers are faced with constantly increasing costs in the production of milk to meet the high standards of sanitation required. Expensive bulk cooling tanks and advanced types of milking equipment are becoming requirements in more and more areas. In order to fully utilize this equipment, yet keep production costs down, farmers are forced to expand their output. But when they expand output, the extra milk they produce adds to our surplus problems and further depresses milk prices. Under these circumstances, there is great need for an effective means of supporting the dairy farmer's income at reasonable levels while at the same time bringing production into balance with demand.

Our present dairy programs do not provide those means. The Agricultural Act of 1949, under which manufacturing milk prices are supported, provides no mechanism for dealing with surplus problems other than reducing the level of price support. The law requires that the Secretary of Agriculture provide price support for milk and butterfat at such level between 75 and 90 percent of parity as will provide an adequate supply. Current surplus problems have prevented maintaining price supports above 75 percent of parity. On the other hand, when price supports are held at 75 percent of parity, dairy farm income is extremely low. Yet, dairy farmers find it difficult to reduce their output because of the large investment they have in facilities which can be used only for the production of milk. It seems to me that simply to reduce the price-support level to cut the income of dairy farmers whenever surpluses increase would be inconsistent with the basic objective of price-support programs. The Agricultural Marketing Agreement Act of 1937, under which the fluid milk marketing orders are established, is likewise limited to price cutting as the only authority available to deal with problems of oversupply.

To illustrate the injustice of the price-cutting approach, consider the case right now in most of the big fluid milk markets of New York-New Jersey. The blend prices received by farmers in these markets are presently the lowest they have been in several years because of the surplus. Yet we are required under the New York-New Jersey order to initiate proceedings before very long to review the prices in these markets and presumably consider a further reduction in prices paid to producers. This is the only recourse the law gives to us when surpluses increase.

A year ago, the Administration recommended enactment of a new dairy program which would have provided for the use of marketing allotments on a national scale to keep milk production in line with demand. This proposal was one which had been discussed within the dairy industry for 4 or 5 years and which many people agreed was an economically sound approach to our dairy farm income and surplus problems. However there was not last year—and does not appear to be now—enough support for this proposal to achieve its enactment. Recognizing that government is the art of the possible, it would appear that the most constructive course now is to concentrate on the type of legislation for which there is widespread support and which does promise to improve the present situation.

One approach, which is incorporated in one or another form in each of the bills under consideration, and which has wide support within the industry, is what is called a base-excess plan, to be applied in markets covered by milk marketing orders. Under the existing marketing orders, a producer is paid a single blend price for all of his milk sold in his market, that price being the average of the higher price paid for milk sold for fluid use and the lower price paid for "surplus" milk, which is sold for manufacturing purposes. The blend price tends to provide an incentive for increased production, since it offers the producer who expands his production the higher blend price for milk which returns only manufacturing value to the pool. The base-excess concept proposes to remove this incentive, by separating his base—or share of the fluid milk market—from his excess—which goes into manufacturing uses or into CCC storage—and pay him the fluid milk price for the former and only the surplus value for the latter. Thus, if he reduces production, he will lose not the blend price but the lower excess price; and if he increases production, he will gain not the blend price but the lower excess price. The incentive to produce surpluses would be greatly reduced.

A second approach is the one which has proved to be successful in the feed grains program—a payment to producers who voluntarily reduce their output. A payment at the proper level will compensate the producer for any loss of net income, but at the same time cost the Government less than buying and storing the entire output at the support price. At present, it costs the Government over $4 to purchase, transport, and handle 100 pounds of milk in the form of manufactured dairy products. Producers might be willing to not produce this surplus milk for a payment substantially less than this $4 cost.

We believe that a bill embodying these two approaches can go far toward achieving the following objectives:

1. Increase in the income of manufacturing milk producers.

2. Increase in the income of fluid milk producers.

3. Reduction in costs of the dairy program to the Government.

4. Reduction in excessive inventories of dairy products.

Progress toward these results can only be gradual, but we believe progress can be made—and the sooner we begin, the sooner we will get somewhere.

Now, Mr. Chairman, I would like to comment on some questions raised by provisions that are found in one or more of the three bills.

1. Reduction in the minimum support price for manufacturing milk: We believe that it would be wise, at least for the present, to retain the 75 percent of parity price support minimum.

2. The base-excess plan in Federal orders: As I have indicated, we favor such a plan. We believe the base should include a necessary reserve above actual fluid milk requirements.

3. Entry into the market by other producers: We believe the establishment of a marketing base plan should make it neither harder nor easier for established producers and handlers outside the market to gain entry into the market. We believe that the plans can and should contain definite provisions having that result. Special provisions will be necessary to permit entry for new producers, who had no marketings anywhere during the base period, and to take care of abnormal or hardship situations.

4. Prices below the support price: If any marketing order is to provide a return to producers for "excess" milk lower than the manufacturing support price, we believe this lower return should apply only to marketings that exceed the producer's total marketings during the base period. The difference between the manufacturing value of such milk and the price paid to the farmers should be prorated among all producers in relation to their fluid milk bases.

5. Procedure for introducing base-excess plans: We believe the law should require the Secretary to hold hearings on base-excess plans in each Federal order market where marketings are in excess of necessary reserve requirements. If such a plan, when submitted to a referendum, is defeated, the marketing order should be terminated unless the producers request the Secretary to hold further hearings under the order with a view to adjusting the class I price so as to remove incentive for excessive supplies. The Treasury of the United States also has a substantial stake in reducing, by one means or another, these excessive supplies; in view of that fact, these alternatives do not seem unreasonable.

6. Incentive payments for reducing production. We agree with the recommendations of a number of witnesses in these hearings—that the legislation should authorize payments to producers for voluntarily reducing their production. The Secretary should have authority to use such payments when and to the extent needed, and only when he estimates they will result in net savings to the Government. Since participation by producers to earn these payments will be purely voluntary, it can be assumed that they will improve producer net income if there is to be any participation. Such payments should be made available to producers both within and outside of Federal order markets. We believe such payments would reduce Government costs by speeding up the adjustment of supply to demand. It is probable that such payments would be needed for only 1 or 2 years.

Mr. Chairman, we believe legislation embodying the provisions indicated above—which would be for the most part a composite of the three bills before this committee—would provide a means for substantial improvement in the dairy situation.

It would bring supply into closer balance with demand.

It would sharply reduce the cost of dairy programs to the Government.

It would directly improve the net income of farmers producing for fluid milk markets.

It would benefit farmers producing for manufacturing milk markets, by removing from those markets much of the surplus from fluid milk markets which now finds its way into manufacturing uses. After a short time,

this should result in improvement in manufacturing milk prices.

The proposed program would provide flexibility. Its provisions would be used only when and to the extent required by supply and demand relationships.

We have prepared some estimates of the results that might be achieved under such a program. These estimates indicate that net income of milk producers might be increased 6 percent at the same time Government costs are being reduced by $175 million a year. We believe these estimates are not unreasonable; and, even if the results achieved were only half that good, they would still be well worth while. These estimates are set out in more detail in the attached table.

We recommend the enactment of legislation along the lines I have indicated. We will be glad to give the committee every possible assistance in drafting the specific provisions of such a program.

Estimated 1963–64 program results of present program; composite base plan with no payments; composite base plan with $1 and $2 hundredweight payments

Item	Unit	Present program		Composite base plan [1]		
		1962–63 marketing year	1963–64 marketing year	No payment	$1 per hundredweight payment	$2 per hundredweight payment
	(1)	(2)	(3)	(4)	(5)	(6)
Support level: By purchases	Hundredweight	3.11	3.14	3.14	3.14	3.14
Milk production	Billion pounds	125.5	126.5	123.1	121.8	119.8
Marketings (milk equivalent):						
Fluid milk and cream	do	54.0	54.4	54.4	54.4	54.4
Manufacturing milk and cream	do	64.0	65.0	61.6	60.6	58.3
Total	do	118.0	119.4	116.0	114.7	112.7
Commercial demand (milk equivalent):						
Fluid milk and cream	do	54.0	54.4	54.4	54.4	54.4
Manufacturing milk and cream	do	55.1	55.2	55.2	55.2	55.2
Total	do	109.1	109.6	109.6	109.6	109.6
Surplus [2]	do	8.9	9.8	6.4	5.1	3.1
CCC purchases:						
Butter	Million pounds	355	370	239	185	110
Cheese	do	140	200	140	125	80
Nonfat dry milk	do	1,270	1,300	1,065	970	740
CCC purchase price:						
Butter	Cents per pound.	58.0	58.0	58.0	58.0	58.0
Cheese	do	34.6	35.6	35.6	35.6	35.6
Nonfat dry milk	do	14.4	14.4	14.4	14.4	14.4
CCC net expenditures: Purchases (gross)	Million dollars	511	539	391	337	229
Reduction payments:						
Quantity (milk equivalent)	Billion pounds				[3] 2.3	[3] 1.8
Rate per hundredweight	Dollars				[3] 1.00	[3] 2.00
Total	Million dollars				[3] 23	[3] 36
Retirements payments:						
Quantity (milk equivalent)	Billion pounds				4.3	7.1
Rate per hundredweight	Dollars				[4] 1.00	[4] 2.00
Total	Million dollars				[3] 22	[3] 71
Total outlay	do	511	539	391	382	336
Sales proceeds	do	31	31	31	31	31
Total net expenditures	do	480	508	360	351	305
Dairy farm cash receipts:						
From marketings	do	4,760	4,854	4,654	4,605	4,586
Payments	do				45	107
Total receipts	do	4,760	4,854	4,654	4,650	4,693
Net income	do	1,123	1,145	1,098	1,132	1,189

[1] Containing features of S. 900, S. 953, S. 398, and Department provisions.
[2] Milk equivalent milkfat basis.
[3] Payment on reductions below base.
[4] Payment for six months of retired production.

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

Mr. PROXMIRE. I yield.

Mr. HART. Mr. President, I wish to comment briefly on the statement the Senator from Wisconsin has made. I think all of us who serve on the Committee on Agriculture and Forestry, and who have shared the concern in recent years in regard to the need for the development of stability in the dairy industry and in the fluid milk markets, but not at the cost of the dairy farmer, take great heart in the report the Senator from Wisconsin has made.

All of us recognize that the problem is extremely difficult.

The statement made today by the Under Secretary of Agriculture demonstrates, I believe, that much progress has been achieved.

I believe we should particularly commend the spokesmen for the dairy interests, who faced up to an extremely complex problem, and have arrived at—although with much grinding of teeth, I am sure—a means of dealing adequately with it.

Mr. PROXMIRE. I thank the Senator from Michigan.

Mr. President, this proposal, the base price plan, which is the heart and soul of the proposal made by the Under Secretary of Agriculture, is based on a great deal of work done by the dairy farmer leaders in New York, Michigan, Wisconsin, Washington, Utah, Florida, and many, many other States. Their leaders came to see us and to discuss this program. I think it will tend to reduce the cost to the Government; and I hope it will be considered favorably, not only by the committee, but also by the Senate.

I thank the Senator from Alabama for yielding this time to me.

DISARMAMENT AND A NUCLEAR TEST BAN: THE NEED TO INFORM THE AMERICAN PEOPLE

Mr. HUMPHREY. Mr. President, I have long been disturbed by the misinformation and some downright lies that are being disseminated among the American people concerning the U.S. Arms Control and Disarmament Agency and overall U.S. policy on arms control and disarmament problems. Accordingly, I have asked the Director of the Arms Control and Disarmament Agency for short, simple, and direct statements designed to clarify these issues in the minds of the American public. I have already received two letters from Director William C. Foster, of the ACDA, and I take pleasure in asking unanimous consent that they be placed in the RECORD at the conclusion of my remarks. They are admirable statements of U.S. policy in the field of disarmament and arms control. The first letter, dated March 22, 1963, is addressed to the question of the present functions and operating methods of the Arms Control and Disarmament Agency. The second, dated April 2, explains why it is in the national interest of the United States to seek agreement on a nuclear test ban. I commend Mr. Foster's letters to the attention of all Senators and their constituents.

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

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., March 22, 1963.

Hon. HUBERT H. HUMPHREY,
U.S. *Senate.*

DEAR HUBERT: Questions are being asked: What are the present functions of the Arms Control and Disarmament Agency and how does it operate?

Congress established the Agency to explore, develop, recommend and, if approved by the President, negotiate possible alternatives to the arms race in order to enhance our national security. A strong Military Establishment, of course, remains essential. But as the President has said, "in a spiralling arms race a nation's security may well be shrinking even as its arms increase."

Congress provided for cooperation in arms control and disarmament policy formulation among all interested agencies. Test ban or disarmament recommendations of this Agency are considered by the Departments of Defense and State, and where appropriate, by the Atomic Energy Commission, the National Aeronautics and Space Administration and other agencies. Negotiations are never undertaken on an important measure until the President has consulted with his key national security advisers and given his approval.

Congress also provided that no action could be taken that would obligate the United States to disarm without the prior approval of Congress. As you may know, the President, the Secretary of State and I have all said that a test ban agreement would be submitted in the form of a treaty to the Senate for the traditional two-thirds vote. Under section 33 of the Arms Control and Disarmament Act, a disarmament agreement must either be approved in this fashion or by a majority in both Houses. The American people are thus assured that no disarma-

ment agreement could be put into effect without the approval of their elected representatives.

Sincerely,

WILLIAM C. FOSTER.

U.S. ARMS CONTROL
AND DISARMAMENT AGENCY,
Washington, D.C., April 2, 1963.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR HUBERT: A matter of concern to all Americans is whether it is in the national interest to seek agreement on a nuclear test ban.

The issue is not alone whether a test ban would involve risks but whether the risks would be substantially outweighed by the advantages. Advantages would include: (1) inhibiting the further development of nuclear capabilities by other countries, a development which would increase the chances of nuclear devastation; (2) preserving for a longer time our present nuclear superiorities; (3) eliminating radioactive fallout, and (4) slowing down the nuclear arms race. Against these advantages must be balanced two risks: (1) secret testing or "cheating" and (2) surprise abrogation of the treaty. The latter risk would be greatly minimized by our announced policy of maintaining our own readiness to test even if a treaty went into effect.

The primary concern of those objecting to a treaty has been whether the Soviets could cheat by secret underground testing of small nuclear devices. Most objections are directed at possible secret tests with a magnitude of less than one-quarter the size of our first nuclear explosion in New Mexico almost 20 years ago and less than $\frac{1}{10000}$ the size of the largest recorded Soviet explosion. No test ban treaty could give us complete assurance of catching every possible violation. But neither could a potential violator ever be sure he would escape our detection system.

It is the view of the State Department, the Defense Department, the AEC, and this Agency that significant Soviet advances would require a series of tests; that the probability is high that any meaningful series would be discovered by seismic and intelligence means; and that such occasional small tests as might evade detection, if the Soviets were prepared to risk getting caught, would not have a damaging impact on the military balance. Weighing the advantages of a test ban treaty against its risks, both this administration and the Eisenhower administration concluded that such a treaty would be in our national interest.

Sincerely,

WILLIAM C. FOSTER.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I now move, in accordance with the previous order, that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 15 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, April 4, 1963, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 3, 1963:

NATIONAL SCIENCE FOUNDATION

Leland J. Haworth, of New York, to be Director of the National Science Foundation for a term of 6 years.

ATOMIC ENERGY COMMISSION

Gerald F. Tape, of New York, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1966, vice Leland J. Haworth.

INTER-AMERICAN DEVELOPMENT BANK

David Elliott Bell, of Massachusetts, to be Alternate Governor of the Inter-American Development Bank for a term of 5 years and until his successor has been appointed.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 3, 1963:

POSTMASTER

Cora M. Smith to be postmaster at Lost Creek, in the State of West Virginia.

EXTENSIONS OF REMARKS

Statistics "Management" or Manipulation of Statistics

EXTENSION OF REMARKS
OF

HON. PAUL FINDLEY

OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1963

Mr. FINDLEY. Mr. Speaker, overlooked in the discussion of news management—Government control of news—is the fact that the Federal Government itself has become the Nation's principal statistical source. This makes it easy for officials to manipulate statistics to tell the story they want. Old-fashioned bushbeating news coverage is becoming a lost art.

To win political points in agriculture, for example, Secretary Freeman used statistics unfairly to show an erroneous achievement in stockpile reduction—CONGRESSIONAL RECORD, pages 4024–4033, 4570–4571. Secretary of Labor Wirtz did the same thing last fall in attempting to show employment gains which did not exist. In handling the Cuban affair, the administration even claimed the right to misinform the public.

Withholding information is one thing. Twisting facts and telling falsehoods is quite another. To an alarming degree the American people are dependent on Government interpretations for vital information.

Helen Harriman Keith, Massachusetts' Cherry Blossom Princess for 1963

EXTENSION OF REMARKS
OF

HON. F. BRADFORD MORSE

OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1963

Mr. MORSE. Mr. Speaker, the Commonwealth of Massachusetts is proud to take part with delegations from every section of our great Nation in the annual Cherry Blossom Festival here in Washington.

I am especially delighted that the Commonwealth of Massachusetts will be represented by Helen Harriman Keith, 18-year-old daughter of my good friend and colleague from Massachusetts, Congressman HASTINGS KEITH and his wife.

Congressman KEITH's daughter, as you know, Mr. Speaker, has been selected by the Massachusetts Society of Washington, D.C., as the Commonwealth's cherry blossom princess for 1963. I commend the society for its good judgment. Helen is a natural and I am certain she will brighten the festival with her charm, beauty, dignity, and poise.

Helen is a freshman at the University of Vermont. The pretty, blue-eyed, brown-haired daughter of Mr. and Mrs. Keith, of West Bridgewater, Mass., is the older of two daughters. She is a graduate of the Northfield School for Girls and her interests include riding, swimming, and skiing. She hopes one day to follow her father into the field of government, and is majoring in political science at the University of Vermont, his alma mater.

Massachusetts is proud and fortunate to have such a lovely representative in this year's Cherry Blossom Festival activities.

Dr. Stafford L. Warren

EXTENSION OF REMARKS
OF

HON. EVERETT G. BURKHALTER

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1963

Mr. BURKHALTER. Mr. Speaker, it is with the utmost pleasure that, as a Member of the House of Representatives from the State of California, I welcome to Washington a very prominent former member of the University of California's faculty at Los Angeles, Dr. Stafford L. Warren. I use the term "former" knowing full well the loss this signifies to our great university in Los Angeles. Dr. Warren resigned from his position as vice chancellor of health sciences at UCLA to accept an appointment in Washington, D.C., as special assistant to President Kennedy to aid in the development and coordination of various programs in the field of mental retardation.